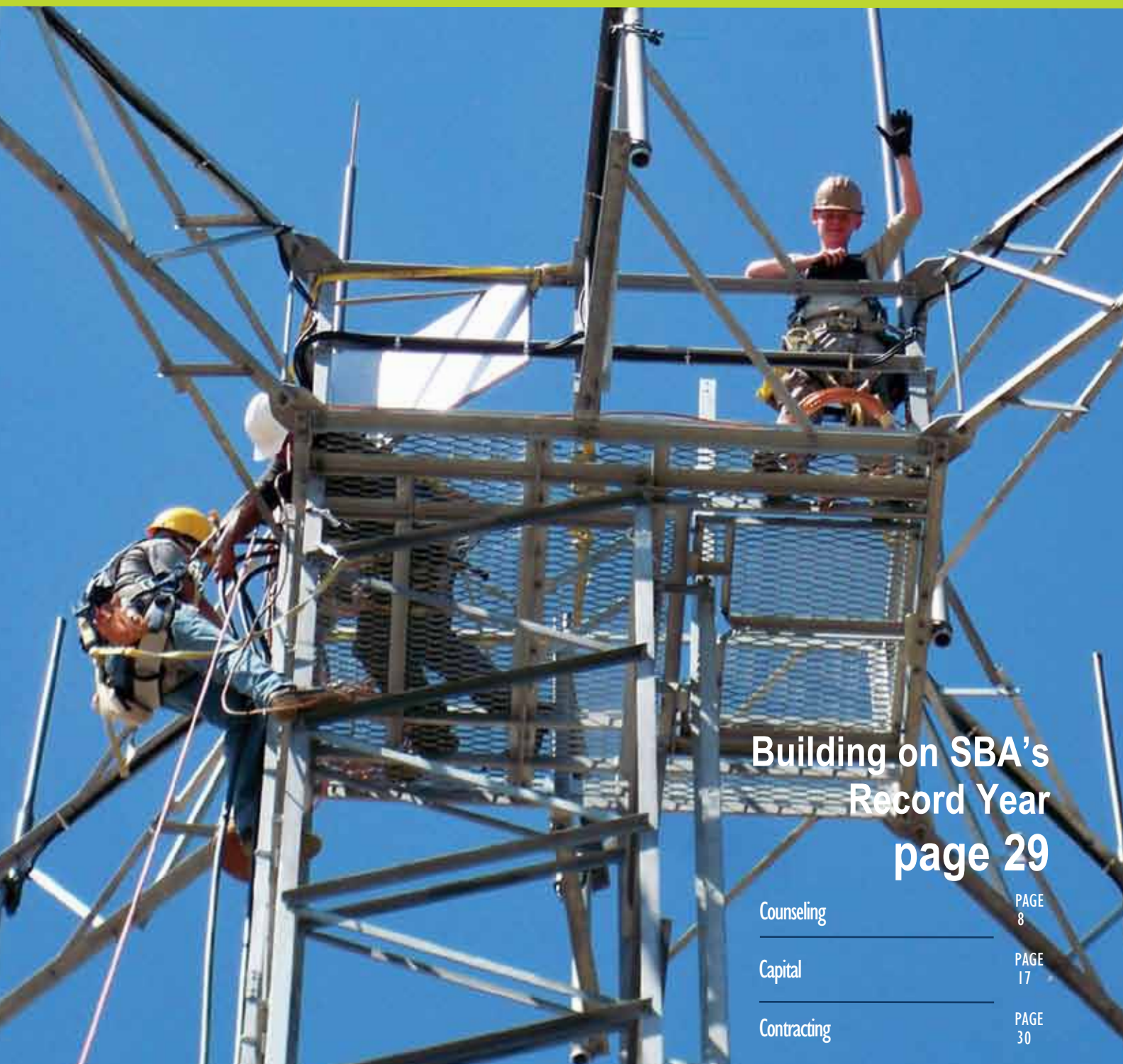


SMALL BUSINESS RESOURCE



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Record Year
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2012-2013 SOUTH DAKOTA

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“Everything you need to know about setting up, marketing and managing the revenue of your business.”



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SBA's participation in this publication is not an endorsement of the views, opinions, products or services of the contractor or any advertiser or other participant appearing herein. All SBA programs and services are extended to the public on a nondiscriminatory basis.

Printed in the United States of America

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SBA Publication # MCS-0018

This publication is provided under SBA Contract # SBAHQ11C0005.

**INSIDE . . .
SUCCESS STORIES AND
TESTIMONIALS
THROUGHOUT THE GUIDE**



Make your business great.

Great Western Bank worked with Leigh Kamstra to build her dream business, Roma's Ristorante, an Italian restaurant located in Spearfish, S.D. Leigh worked with one of our business bankers to find the best solution, an SBA loan, for her business needs. Fast forward one year later and Leigh was recognized as the South Dakota SBA Business of the Year.

Let us make your dreams of starting your own business come true. Contact your local banker at one of our 31 locations across the state of South Dakota.

Find your nearest location at: www.GreatWesternBank.com



Great Western Bank®

Making Life Great®



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FROM THE ADMINISTRATOR



2011 was a record year for the SBA. We helped over 60,000 small businesses secure over \$30 billion in lending through our flagship 7(a) and 504 programs – an all-time record. We also worked with private-sector partners to drive a record

amount of capital (\$2.8 billion) into the hands of over 1,000 high-growth businesses through Small Business Investment Companies.

As we entered 2012, the President signed a six-year extension of the Small Business Innovation Research program which supports small R&D companies that drive innovation and game-changing technologies to keep America on the cutting edge. We also continue to streamline the paperwork on SBA loans in order to help more lending partners and their small-business customers.

You can check out all of these programs in this guide. Also, be sure to take a look at all of the SBA's 2011 accomplishments.

As our economy continues to strengthen in 2012, the Obama Administration is focused on making sure that entrepreneurs and small business owners have the tools they need to grow and create jobs. After all, half of working Americans either own or work for a small business, and two of every three new jobs are created by small businesses.

Finally, check out our online tools. For example, at www.sba.gov/direct you can type in your zip code and a few details about your business, and you'll immediately get connected to SBA resources in your local area.

America's small businesses are gearing up to lead our nation's economic recovery and create the jobs we need now. Please feel free to contact your local SBA office if you have any questions. We stand ready to help in whatever way we can.

Sincerely,

A handwritten signature in dark ink that reads "Karen G. Mills". The signature is fluid and cursive.

Karen G. Mills
Administrator
Small Business Administration

About the SBA

www.sba.gov

Your Small Business Resource

Every year, the U.S. Small Business Administration and its nationwide network of partners help millions of potential and current small business owners start, grow and succeed.

Resources and programs targeting small businesses provide an advantage necessary to help small businesses compete effectively in the marketplace and strengthen the overall U.S. economy.

SBA offers help in the following areas:

- *Counseling*
- *Capital*

- *Contracting*
- *Disaster Assistance*
- *Advocacy and the Ombudsman*

Visit SBA online at www.sba.gov for 24/7 access to small business news, information and training for entrepreneurs.

All SBA programs and services are provided on a nondiscriminatory basis.

A photograph of a home office. A wooden chair with a light blue cushion is positioned in front of a white desk. On the desk, there is a laptop, a potted plant, a teal desk lamp, and a printer. A window with a wooden frame is in the background, and a radiator is visible under it. The room has warm-toned walls and a wooden floor.

OVER FIFTY PERCENT OF THE NATION'S
SMALL BUSINESSES ARE HOME-BASED

Doesn't that sound nice?
Start small.

With over 17,000 resource listings across the country, we provide you with door-to-door directions to lenders, training, and support that will help you start your own small business.

SmallBusiness³
www.smallbusiness3.com

SOUTH DAKOTA

SBA Staff Listing

www.sba.gov/sd

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Rapid City, SD 57701
605-716-0008

#1 Ranked SBA Office



Rules For Success

Like today's small businesses, large corporate success stories started with only an entrepreneur and a dream.

On behalf of the staff of the U.S. Small Business Administration's South Dakota District Office, I'm pleased to present the South Dakota Small Business Resource Guide – your one-stop information resource for small business assistance.

This guide includes a comprehensive description of SBA's financial, contracting and technical assistance programs and services as well as information on other organizations across the state committed to helping small businesses grow and develop.

Small businesses are at the heart of America's economy, driving most new innovations and creating two-thirds of the net new jobs. Entrepreneurs are the unsung heroes in national wealth creation and central to our prosperity and health as a nation. For many, personal economic empowerment through small business ownership is often the best, and only available, ticket to the American Dream. As the lead Federal agency working to create an environment where America's entrepreneurs can flourish, the SBA is here to help YOU, America's best and brightest, achieve success. And 97 percent of all businesses in South Dakota are small businesses – to paraphrase, the business of South Dakota is SMALL BUSINESS!

The New SBA has changed dramatically to meet the needs of today's entrepreneurs. The breadth and depth of our streamlined and improved products and services may surprise you, some of which are:

- Business Counseling - free, confidential, one-on-one – through our Small Business Development Center (SBDC) Network, Women's Business Center (South Dakota Center for Enterprise Opportunity) and SCORE, Counselors to America's Small Business including online counseling from 1,100 SCORE specialists across the country.
- Technical Assistance, including local Pre-Business Workshops, business seminars, and training programs on topics as varied as licensing, bookkeeping, taxes, marketing, advertising, sales, employee relations, and exporting.
- Online, 24/7 training on such topics as leadership, personnel and financial management, strategic planning, marketing, and technology via SBA's virtual campus, the Small Business Training Network at

www.sba.gov/training. You'll also find a business library, business plan templates and software and over 20,000 links to federal, state, local and legal organizations – and even customized local training such as our South Dakota Survive and Thrive Business Education Series at <http://www.usd.edu/business/small-business-development-center/survive-and-thrive-series.cfm> or <https://cc.readytalk.com/cc/playback/Playback.do>.

- Guidance on government rules and regulations as well as business law and compliance assistance through SBA's Business.gov website www.business.usa.gov.
- Financing through our lending partners (listed inside) for startups, expansions, re-financings, and business purchases as well as contract financing and export/international trade financial assistance.
- Government Contracting assistance, including online electronic matchmaking with federal buyers, procurement training programs and guidance from government procurement experts (Procurement Center Representatives). SBA can even help with surety bonds for contractors.

Companies like Intel, FedEx, Nike, Staples, Columbia Sportswear, and Callaway Golf received SBA assistance when they were small – as did South Dakota firms like Daktronics, Trail King, CBM Food Services, (Marlins) and Super 8. Now we're ready to help you jumpstart your own American Dream.

We're proud to have been one of several offices nationwide to meet our objectives in fiscal year 2011. And we are thankful for our many resource partners for helping us to be one of SBA's top performing offices – for five consecutive years! We look to continue that level of service to South Dakota small business in 2012.

Glance through our Small Business Resource Guide, see what's inside and keep it handy for ready reference. And visit us at www.sba.gov/sd. We're ready to help when you're ready to start!

Sincerely,

John L. Brown II

District Director of
SBA's South Dakota District Office

Doing Business in South Dakota

■ The SBA helps business owners grow and expand their businesses every day.



The South Dakota business climate is Number One in the nation for entrepreneurs according to the Small Business Survival Index.

The South Dakota entrepreneur has a competitive edge over all his/her business counterparts in the United States. The South Dakota business person enjoys:

- No corporate income tax
- No personal tax
- No personal property tax
- No business tax
- No inheritance tax

THE SOUTH DAKOTA DISTRICT OFFICE

The South Dakota District Office is responsible for the delivery of SBA's many programs and services. The

District Director is John L. Brown II. The District Office is located at 2329 N. Career Avenue, Suite 105, Sioux Falls, SD. Office hours are from 8:00 AM until 4:30 PM, Monday through Friday.

The South Dakota District Office has been recognized consistently as one of the top SBA offices nationwide. Selected as the #1 District Office nationally and regionally in 2006, the district office also received the distinction of being named the "Most Improved Office" out of the 68 offices nationwide. In 2007 the South Dakota District Office was again named a SBA Top Performing Office. And in 2008 the SDDO was one of only four offices nationwide to meet all our objectives! We're proud of our success and look to continue our high level of service to South Dakota small business.

AWARD WINNER

South Dakota 2012 Small Business Persons of the Year

Kevin & Emily Berg First Manufacturing, LLC, Humboldt

What do two mechanical engineering students at the South Dakota School of Mines and Technology do after writing a business plan together for a class? They graduate, get married and start the business of course. Kevin and Emily Berg, owners of First Manufacturing LLC, did just that. Starting as a small home-based machine shop with only a manual mill and a manual lathe, First Manufacturing originally opened in Rocklin, California, in January 2003, but relocated to South Dakota later that year. As small business owners, they had questions about hiring employees, marketing and growing their sales, and contacted the Sioux Falls Small Business Development Center in Sioux Falls. The SBDC assisted the Bergs in leveraging their own investment dollars to obtain financing through a local lender and the APEX loan program of the South Dakota Governor's Office of Economic Development. With these monies, the Bergs were able to purchase additional equipment

and the former grocery store building in Humboldt to further grow and have room to manage the contracts they were landing.

Taking advantage of historically low interest rates, First Manufacturing again contacted the SBDC to assist in putting together a plan to refinance as well as obtain some additional working capital to support ongoing expansion. This was done through a Small Business Administration loan with great loan terms allowing the Bergs to obtain the working capital necessary for the business while minimizing the impact of the monthly cash flow.

First Manufacturing became a full-time venture in 2006 and has tripled in size, providing CNC milling, CAD/CAM work, turning, inspection and assembly. The company is experienced in a wide variety of materials including aluminum, steel, stainless steel, plastics and composite materials. In addition to being a component manufacturer providing materials for companies such as Daktronics, First Manufacturing also produces their own product lines, including the Copperhead Ag Furrow Cruiser, which received an award in the 2010 Governor's Giant Vision competition.

AWARD WINNERS

2012 SOUTH DAKOTA SMALL BUSINESS WEEK WINNERS

Small Business Persons of the Year

Kevin & Emily Berg
First Manufacturing
LLC
Humboldt

Financial Services Champion of the Year

John Roers
Reliabank
Hartford

Home-Based Business Champion of the Year

Rebekah Scott
Rebekah Scott Designs
Valley Springs

Minority Small Business Champion of the Year

Karen Dougherty
South Dakota
Procurement Technical
Assistance Center
Sioux Falls

Small Business Exporter of the Year REGIONAL WINNER

Jerad Higman
MASABA Mining
Equipment
Vermillion

Women in Business Champion of the Year

Terese Michaels, DVM
Hartford Veterinary
Clinic
Hartford

SBA AWARDS

NOMINATE YOUR FAVORITE SMALL BUSINESS

Every year in recognition of the small business community's contributions to the American economy and society, one week is designated as National Small Business Week. You can be a part of this celebration by nominating an outstanding small business owner or small business advocate in your community.

Winners are selected at the state level and then go on to compete regionally and nationally for the nation's top small business award — the National Small Business Award. The national award is presented to the national winner at the White House during the celebration of small business week usually held in late Spring.

The nomination process begins in September for the next year. For more information or to receive a nomination package, contact Michele at the South Dakota District Office at 605-330-4243, ext. 11.

COUNSELING

Getting Help to Start Up, Market and Manage Your Business

COUNSELING



Every year, the U.S. Small Business Administration and its nationwide network of resource partners help millions of potential and existing small business owners start, grow and succeed.

Whether your target market is global or just your neighborhood, the SBA and its resource partners can help at every stage of turning your entrepreneurial dream into a thriving business.

If you're just starting out, the SBA and its resources can help you with loans and business management skills. If you're already in business, you can use the SBA's resources to help manage and expand your business, obtain government contracts, recover from disaster, find foreign markets, and make your voice heard in the federal government.

You can access SBA information at www.sba.gov or visit one of our local offices for assistance.

SBA'S RESOURCE PARTNERS

In addition to our district offices which serve every state and territory, SBA works with a variety of local resource partners to meet your small business needs. These professionals can help with writing a formal business plan, locating sources of financial assistance, managing and expanding your business, finding opportunities to sell your goods or services to the government, and

recovering from disaster. To find your local district office or SBA resource partner, visit www.sba.gov/sba-direct.

SCORE

SCORE is a national network of over 14,000 entrepreneurs, business leaders and executives who volunteer as mentors to America's small businesses. SCORE leverages decades of experience from seasoned business professionals to help small businesses start, grow companies and create jobs in local communities. SCORE does this by harnessing the passion and knowledge of individuals who have owned and managed their own businesses and want to share this "real world" expertise with you.

Found in more than 370 offices and 800 locations throughout the country, SCORE provides key services – both

SCORE TESTIMONIAL

"My SCORE mentor, Bob Knecht, was integral in getting my business started. His business expertise and advice was invaluable. He was realistic and challenged me – at the same time supported and encouraged me. It is a great program and anyone starting a business should contact SCORE."

Christy Dunn, Rapid City

face-to-face and online – to busy entrepreneurs who are just getting started or in need of a seasoned business professional as a sounding board for their existing business. As members of your community, SCORE mentors understand local business licensing rules, economic conditions and important networks. SCORE can help you as they have done for more than 9 million clients by:

- Matching your specific needs with a business mentor
- Traveling to your place of business for an on-site evaluation
- Teaming with several SCORE mentors to provide you with tailored assistance in a number of business areas

Across the country, SCORE offers nearly 7,000 local business training workshops and seminars ranging in topic and scope depending on the needs of the local business community such as offering an introduction to the fundamentals of a business plan, managing cash flow and marketing your business. For established businesses, SCORE offers more in-depth training in areas like customer service, hiring practices and home-based businesses.

SCORE SUCCESS STORY

DAZ Construction, Rapid City

When Mike Swenson approached his 40th birthday, he made a life changing decision. Mike calls it the best decision he ever made. While driving his LP gas truck route, he dreamed of building a house. So he built one as a part-time endeavor. Mike experienced the frustration of inexperience, so he looked for help and advice from SCORE. Mike met with SCORE counselor Ward Cheney, a veteran of the house building industry. Ward's experience and knowledge not only saved

Mike money, but also time. He prepared Mike with real world wisdom for house-building success. Mike is now building his 30th house and attributes his success to Ward visiting the job site 2 to 3 days per week and pointing out what he saw, good and bad. "The people of SCORE are like Guardian Angels," Mike says. He credits much of his success to Ward Cheney. "I'm not sure I'd still be in business if it weren't for Ward's expertise and the entire SCORE organization."

For around-the-clock business advice and information on the latest trends go to the SCORE website (www.score.org). More than 1,500 online mentors with over 800 business skill sets answer your questions about starting and running a business. In fiscal year 2011, SCORE mentors served 400,000 entrepreneurs.

For information on SCORE and to get your own business mentor, visit www.sba.gov/score, go to www.SCORE.org or call 1-800-624-0245 for the SCORE office nearest you.

Aberdeen SCORE	605-626-2565
Rapid City SCORE	605-394-1707
Sioux Falls SCORE	605-330-4231
Watertown SCORE	605-882-5115

SMALL BUSINESS DEVELOPMENT CENTERS

The U.S. Small Business Administration's Small Business Development Center (SBDC) program's mission is to build, sustain, and

promote small business development and enhance local economies by creating businesses and jobs. This is accomplished by the provision and ensuing oversight of grants to colleges, universities and state governments so that they may provide business advice and training to existing and potential small businesses.

The Small Business Development Center program, vital to SBA's entrepreneurial outreach, has been providing service to small businesses for more than 30 years. It is one of the largest professional small business management and technical assistance networks in the nation. With over 900 locations across the country, SBDCs offer free one-on-one expert business advice and low-cost training by qualified small business professionals to existing and future entrepreneurs.

In addition to its core services, the SBDC program offers special focus areas such as green business technology,

disaster recovery and preparedness, international trade assistance, veteran's assistance, technology transfer and regulatory compliance.

The program combines a unique mix of federal, state and private sector resources to provide, in every state and territory, the foundation for the economic growth of small businesses. The return on investment is demonstrated by the program during 2011:

- Assisted more than 13,660 entrepreneurs to start new businesses – equating to 37 new business starts per day.
- Provided counseling services to over 106,000 emerging entrepreneurs and nearly 100,000 existing businesses.
- Provided training services to approximately 353,000 clients.

The efficacy of the SBDC program has been validated by a nationwide impact study. Of the clients surveyed, more than 80 percent reported that the business assistance they received from the SBDC counselor was worthwhile. Similarly, more than 50 percent reported that SBDC guidance was beneficial in making the decision to start a business. More than 40 percent of long-term clients, those receiving 5 hours or more of counseling, reported an increase in sales and 38 percent reported an increase in profit margins.

For information on the SBDC program, visit www.sba.gov/sbdc.

SCORE SUCCESS STORY

Young and Richard's Flower Shop, Sioux Falls

Cindy Palleschi, owner and operator of Young and Richard's Flower Shop in downtown Sioux Falls did not grow up in a flower shop and had never even envisioned working with flowers day in and day out. Instead, she had worked in the laboratory as a microbiologist for close to 25 years. As her children were graduating high school she knew she wanted to do something different than wear a lab coat every day, but was just not sure what. She took various business and accounting classes at University Center in Sioux Falls, knowing that her background was completely different than the business world. When she found out that Young and Richard's Flower Shop, which had been an institution in Sioux Falls since 1947 was for sale, she knew this was what she had been waiting for. Cindy said "I had always loved Young and Richard's--they had even done my own wedding flowers!"

Still feeling insecure about her lack of experience in the world of business, she heard about a SCORE workshop called "How to Really Start Your Own Business" and dragged her husband along. It proved to be an invaluable experience. She learned the importance of a formalized strategic business plan and implementing it effectively. In fact, Palleschi still says she feels the business plan was her road map to success because it gave her clear and specific goals to achieve. Palleschi also learned important tax tips for small businesses, web and marketing ideas, and financial strategies. Palleschi said she was very impressed with the presenters at the workshop and their willingness

to share their knowledge and experience with the attendees. This was almost three years ago and the people she made contact with then are still a valuable asset to her and the progression of her business.

In September of 2009 Cindy took over ownership and management of Young and Richard's. Since that time sales have been steadily increasing each and every month. Two years after opening, Cindy and her husband Jerry decided to invest in a downtown building on Phillips Avenue. Although she was a little apprehensive about moving Young and Richard's since it had spent decades on the same corner, she opened the store there on March 12 of this year. So far, the move has been very positive and the foot traffic on Phillips is much greater. Ryan Dulaney, who the Palleschi's met as a financial advisor at the SCORE workshop they attended, helped with the financing of the new building through Great Western Bank. It was because of the relationship they had built with Ryan through SCORE that made them want to work with Ryan again because they knew they could trust him and his sound financial advice.

Cindy is optimistic about Young and Richard's future at its new location and sees this as the start of the stores' next chapter. She believes all people seeking to change careers in midlife should gain as much knowledge as possible before jumping in and SCORE and the mentors there are a great place to start. After that, "Just follow your dreams---it is never too late!"

South Dakota Small Business Development Centers:

Aberdeen SBDC

Kelly Weaver, Carla Burns
416 N. Production St.
Aberdeen, SD 57401
605-626-2565

The Aberdeen office serves the counties of Beadle, Brown, Campbell, Day, Edmunds, Faulk, Hand, Marshall, McPherson, Potter, Roberts, Spink and Walworth. Routine on-site visits are made to the cities of Gettysburg, Huron, Mobridge, Sisseton and Webster.

Pierre SBDC

Tony DeRungs
3431 Airport Rd, Ste. 3
Pierre, SD 57501
605-773-2783

The Pierre office serves central South Dakota including the counties of Buffalo, Corson, Dewey, Haakon, Hughes, Hyde, Jones, Mellette, Perkins Shannon, Stanley, Sully, Todd and Ziebach. On-site visits are made throughout the fourteen-county area by appointment.

SBDC
TESTIMONIAL

"I am very pleased with the assistance I received from the South Dakota Small Business Development Center. Carla Burns took time to help me work on my financial statements and business plan. I would recommend anyone working on small business plans start with the South Dakota SBDC."

Dr. Brittany Sutton, Chiropractor
Aberdeen

Rapid City SBDC

Dona Leavens, Tim Crawford & Mike Rosson
525 University Loop
Rapid City, SD 57701
605-394-5331

The Rapid City office serves western South Dakota including the counties of Bennett, Butte, Custer, Fall River, Harding, Jackson, Lawrence, Meade and Pennington. Routine on-site visits are made to Belle Fourche, Custer, Hot Springs, Lead, Spearfish and Sturgis.

Sioux Falls/Vermillion SBDC

Mark Slade, Marc Ford
2329 N. Career Ave., Ste. 106
Sioux Falls, SD 57107
605-367-5757

The Sioux Falls/Vermillion offices serve southeast South Dakota including the counties of Clay, Lincoln, McCook, Minnehaha, Turner and Union. On-site visits are made throughout the area depending on counseling requests. The state office is also located in Vermillion.

Satellite Office located in Vermillion
Jeff Eckhoff, State Director
414 E Clark St.
Vermillion, SD 57069
605-677-5287

Watertown/Brookings SBDC

Belinda Englehart, Tim Weelborg
124 1st Ave. N.W. /P.O. Box 1207
Watertown, SD 57201
605-882-5115

Satellite Office located in Brookings
2301 Research Pkwy., Ste. 218
Brookings, SD 57006
605-697-5015

The Watertown/Brookings offices serve the counties of Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, Miner and Moody. On-site visits are made throughout the area depending on counseling requests.

Yankton/Mitchell SBDC

Sue Stoll, Lori Cowan
1808 Summit Ave. /P.O. Box 687
Yankton, SD 57078
605-665-0751

Satellite Office located in Mitchell
Dakota Wesleyan University
Kelly Center for Entrepreneurship
Mitchell, SD 57301
By appointment only: 605-665-0751

SBDC
SUCCESS
STORY

Vince Two Eagles, Wagner

When Vince Two Eagles started volunteering his time in 2007 to write a local column, his intent was to help improve communications between his people, the Ihanktowan Dakota Oyate (Yankton Sioux Tribe), and the residents of his community in Wagner, SD. His column, dubbed by the editor of the Wagner Post as "The Rez of the Story," focused on providing both historic and current information about his people: their customs, philosophy, and some of the ongoing issues they have dealt with since European settlers began arriving in America. Being entrepreneurial by nature, Vince decided it would make good business sense to put together a collection of these columns in a book.

Vince researched publishing companies and decided to work with a regional company out of Yankton. Prairie Hearth Publishing, LLC worked with him to identify all of the costs associated with publishing and marketing a book – printing, layout, cover design, advertising, etc. Once he had an idea of what it would take to launch into this venture

he contacted Lori Cowman with the Small Business Development Center for assistance in seeking out and applying for funding. Lori worked with Vince in identifying the Yankton Sioux Tribe Revolving Loan Fund as a viable source of capital. The fund required financial projections as part of its application. Lori worked with Vince to develop a break-even scenario to determine how many books he would need to sell in order to cover his costs, including a loan payment. Satisfied that this number seemed attainable, Vince forged on and made application to the Yankton Sioux Tribe RLF.

Vince's application resulted in a loan approval. The loan, coupled with some savings, was enough to get the book published, launch a website and pay for some advertising. "The Rez of the Story" Volume 1 debuted in December 2011 and book signings are underway. Vince says, "The assistance from the Small Business Development Center was very useful in helping get my business started on the Reservation."

The Yankton/Mitchell offices serve the counties of Aurora, Bon Homme, Brule, Charles Mix, Davison, Douglas, Gregory, Hanson, Hutchinson, Jerauld, Lyman, Sanborn, Tripp and Yankton.

Enterprise Institute

The Enterprise Institute is a private, non-profit corporation that provides business development and commercialization services to researchers, inventors and start-up companies in the region. The Institute provides confidential and free consulting through the Small Business Development Center and offers specialized fee-based services to

entrepreneurs seeking equity financing and to researchers and inventors that need preliminary commercialization assistance. The Institute also manages several RAIN (registration icon) funds (Regional Angel Investment Network) that provide equity capital for emerging companies in their communities.

Each year, the Enterprise Institute hosts Innovation Expo, a combination Inventors Congress and Venture Capital Forum. This event features a trade show highlighting new businesses and products, educational seminars, the Whatchamacallit Invention Contest and the Deal Dating Pitch Contest to potential investors.

WBC
SUCCESS
STORY

Dr. Lorri A. Riley DPM, Spearfish

While playing college basketball, Lorri Riley injured her feet, collapsing both arches and had to have reconstructive surgery. Due to her painful flat feet, Lorri became a podiatrist and was inspired to develop J1 Insoles. J1 Insoles are a patent pending generic arch support for flat feet.

Dr. Riley has been involved with other businesses including starting the Spearfish Surgery Center in 1995, Video Tec and Urok (teen center) in Belle Fourche and a land development company developing condos and townhouses in Spearfish. Lorri received a patent on a product called ThinNail® in 2005.

ThinNail® is a topical cream for thinning thick nails. Lorri knows from marketing ThinNail®, her biggest challenge is having the money and business skills to market J1 Insoles on a national scale. Her company, Rylo, Inc. received financial help by receiving a loan from the West River Foundation. With these monies, Rylo, Inc. was able to increase her employees from 1 to 4 and do all the manufacturing in Spearfish, SD and not out of state. With the aid of SD CEO, she has also learned valuable business tools that have also helped expand her business such as in the area of government contracting.

The resources available through the Enter-prise Institute provide knowledge and expertise necessary to boost entrepreneurial endeavors in South Dakota. Check out our web-site for more information or contact us at:

Enterprise Institute

Tim Weelborg
2301 Research Park Way
Brookings, SD 57006
605-697-5015
www.sdei.org

WOMEN'S BUSINESS CENTERS

The SBA's Women Business Center (WBC) program is a network of 110 community-based centers which provide business training, coaching, mentoring and other assistance geared toward women, particularly those who are socially and economically disadvantaged. WBCs are located in nearly every state and U.S. territory and are partially funded through a cooperative agreement with the SBA.

To meet the needs of women entrepreneurs, WBCs offer services at convenient times and locations, including evenings and weekends.

WBCs are located within non-profit host organizations that offer a wide variety of services in addition to the services provided by the WBC. Many of the WBCs also offer training and counseling and provide materials in different languages in order to meet the diverse needs of the communities they serve.

WBCs often deliver their services through long-term training or group counseling, both of which have shown to be effective. WBC training courses are often free or are offered at a small fee. Some centers will also offer scholarships based on the client's needs.

While most WBCs are physically located in one designated location, a number of WBCs also provide courses and counseling via the Internet, mobile classrooms and satellite locations.

WBCs have a track record of success. In fiscal year 2011, the WBC program counseled and trained nearly 139,000 clients, creating local economic growth and vitality. In addition, WBCs helped entrepreneurs access more than \$134 million dollars in capital, representing a 400% increase from the previous year. Of the WBC clients that have received 3

WBC TESTIMONIAL

We met Helen at SD CEO at a very early stage in our business and she listened to our big ideas even though we had empty pockets. She encouraged us and I could see the spark in her eye when we covered something she could see value and potential in. Helen was someone we trusted and we valued her opinions. She believed in us and I knew it. She was a great advisor!

Lori Lei, Owner/Consultant
DSS Drug Screen Services, LLC
Belle Fourche

or more hours of counseling, 15 percent indicated that the services led to hiring new staff, 34 percent indicated that the services led to an increased profit margin, and 47 percent indicated that the services led to an increase in sales.

In addition, the WBC program has taken a lead in preparing women business owners to apply for the Women-Owned Small Business (WOSB) Federal Contract program that authorizes contracting officers to

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set aside certain federal contracts for eligible women-owned small businesses or economically disadvantaged women-owned small businesses. For more information on the program, visit www.sba.gov/wosb.

To find the nearest SBA WBC, visit www.sba.gov/women.

The SD Center for Enterprise Opportunity (SD CEO) at Black Hills State University provides training and business assistance to current and prospective entrepreneurs, from start up to expansion, to foster economic development in S.D. Seminars, workshops, and conferences based on identified training needs are held throughout the state. Additionally, the SD CEO provides initial one on one counseling. While services are available to all those interested in entrepreneurship, there is a special emphasis on women, women veterans, Native Americans, the socially and/or economically disadvantaged, and youth entrepreneurs. The SD CEO is located in Woodburn Hall on the BHSU campus in Spearfish, S.D. It is funded in part through a cooperative agreement with the U.S. SBA, and is part of a network of more than 110 centers nationwide established through the SBA's Office of Women's Business Ownership. Since its opening in 2009, the SD CEO has served over 1,500 individuals and continues to work closely with communities across the state to enhance business management and leadership skills and contribute to economic development for a brighter future for our state.

For more information contact:
Helen Merriman, Director
SD CEO
605-642-6435
helen.merriman@bhsu.edu

EMERGING LEADERS (e200) INITIATIVE

SBA's Emerging Leaders (e200) Initiative is currently hosted in 27 markets across the country using a nationally demonstrated research-based curriculum that supports the growth and development of small to medium-sized firms that have substantial potential for expansion and community impact. A competitive selection process results in company executives participating in high-level training and peer-networking sessions led by professional instructors.

Post-training, social and economic impact results from responding



executives who participated in the 2008 – 2010 training classes indicate:

- More than half of participating businesses reported an increase in revenue, with an average revenue of \$1,879,266.
- Participating businesses averaged \$2 million in revenue, with new cumulative financing of \$7.2 million secured in 2010.
- Nearly half of the participants secured federal, state, local and tribal contracts with a cumulative total of \$287 million.
- Approximately half of the participants have hired new workers, creating 275 new jobs in 2010.
- All participants were trained on becoming SBA 8(a) certified firms; nearly 25 percent of respondents are currently certified as SBA 8(a) firms, while other participants reported a focused intention on applying to the 8(a) program.
- Nearly 50 percent of participating respondents were female executives and 70 percent were minority business executives.
- 85 percent of responding executives were Satisfied or Very Satisfied with the overall training series and results.

To find out more about this executive-level training opportunity, please visit www.sba.gov/e200 for host cities, training schedules, and selection criteria.

SBA'S ONLINE TOOLS AND TRAINING

SBA's Small Business Training Network is a virtual campus complete with free online courses, workshops, podcasts, learning tools and business-readiness assessments.

Key Features of the Small Business Training Network:

Training is available anytime and anywhere — all you need is a computer with Internet access.

- More than 30 free online courses and workshops available.
- Templates and samples to get your business planning underway.
- Online, interactive assessment tools are featured and used to direct clients to appropriate training.

Course topics include a financial primer keyed around SBA's loan-guarantee programs, a course on exporting, and courses for veterans and women seeking federal contracting opportunities, as well as an online library of podcasts, business publications, templates and articles.

Visit www.sba.gov/training for these free resources.

REACHING UNDERSERVED COMMUNITIES

SBA also offers a number of programs specifically designed to meet the needs of the underserved communities.

WOMEN BUSINESS OWNERS

Women entrepreneurs are changing the face of America's economy. In the 1970s, women owned less than five percent of the nation's businesses.

Today, they are majority owners of about a third of the nation's small businesses and are at least equal owners of about half of all small businesses. SBA serves women entrepreneurs nationwide through its various programs and services, some of which are designed especially for women.

The SBA's Office of Women's Business Ownership (OWBO) serves as an advocate for women-owned businesses. OWBO oversees a nationwide network of 110 women's business centers that provide business training, counseling and mentoring geared specifically to women, especially those who are socially and economically disadvantaged. The program is a public-private partnership with locally-based nonprofits.

Women's Business Centers serve a wide variety of geographic areas, population densities, and economic environments, including urban, suburban, and rural. Local economies vary from depressed to thriving, and range from metropolitan areas to entire states. Each Women's Business Center tailors its services to the needs of its individual community, but all offer a variety of innovative programs, often including courses in different languages. They provide training in finance, management, and marketing, as well as access to all of the SBA's financial and procurement assistance programs.

CENTER FOR FAITH-BASED AND NEIGHBORHOOD PARTNERSHIPS

Faith-Based and Neighborhood Partnerships know their communities, and they have earned the communities trust. Because of their credibility, they are uniquely positioned to build awareness of programs that encourage entrepreneurship, economic growth and job creation.

SBA is committed to reaching out to faith-based and community organizations that are eligible to participate in the agency's programs by informing their congregants, members and neighbors about SBA's programs. In particular, many faith-based and community non-profit organizations can provide a local financing option

for entrepreneurs by becoming SBA Microloan Intermediaries. An SBA Microloan Intermediary often acts as a bank for entrepreneurs and small businesses that might otherwise be unable to find access to capital.

VETERANS AND RESERVISTS BUSINESS DEVELOPMENT

Veterans, service-disabled veterans and Reserve and National Guard member entrepreneurs receive special consideration in all of SBA's entrepreneurial programs and resources. Each year, the Office of Veterans Business Development (OVBD) reaches thousands of veterans, Reserve Component members, transitioning service members and others who are – or who want to become – entrepreneurs and small business owners. OVBD develops and distributes informational materials for entrepreneurship such as the Veterans Business Resource Guide, VETGazette, and Getting Veterans Back to Work. In addition, there are 16 Veterans Business Outreach Centers strategically located throughout the country that provide both online and in-person training, counseling, mentoring, workshops, referrals, and more. Each of the SBA's 68 District Offices also has a designated veteran's business development officer.

The SBA offers special assistance for small businesses owned by activated Reserve and National Guard members. Any self-employed Reserve or Guard member with an existing SBA loan can request from their SBA lender or SBA district office loan payment deferrals, interest rate reductions and other relief after they receive their activation orders. In addition, the SBA offers special low-interest-rate financing to small businesses when an owner or essential employee is called to active duty. The Military Reservist Economic Injury Disaster Loan Program (MREIDL) provides loans up to \$2 million to eligible small businesses to cover operating costs that cannot be met due to the loss of an essential employee called to active duty in the Reserves or National Guard.

Among the SBA's unique services for veterans are: an Entrepreneurship Boot Camp for Veterans with Disabilities in partnership with 6 top U.S. universities (www.whitman.syr.edu/ebv), a program to reach women veteran-entrepreneurs (www.syr.edu/vwise), and a program for Reserve Component family members called Operation Endure and Grow (www.whitman.syr.edu/endureandgrow).

For more information about small business lending programs for veteran business owners and Reserve or Guard members who are activated, including Patriot Express, microloans, and Advantage loans, see the section on Access to Capital. To learn more about the Veterans Business Outreach program or find the nearest SBA VBOC, visit www.sba.gov/vets.

Veterans Business Resource Centers

Veterans Vocational Rehabilitation

321 Kansas City St.
Rapid City, SD 57701
605-394-5070

Vet Center

621 6th St., Ste. 101
Rapid City, SD 57701
605-348-0077

Vet Center

601 S. Cliff Ave., Ste. C
Sioux Falls, SD 57104
605-330-4552

Family Support Center

Ellsworth Air Force Base
1000 Ellsworth St., Ste. 1500
Ellsworth Air Force Base, SD 57706
605-385-6377

Department of Veterans Affairs

500 E. Capitol
Pierre, SD 57501
605-773-3269

Pine Ridge Vet Center Outstation

105 E. Hwy. 18/P.O. Box 910
Martin, SD 57747
605-685-1300

UNITED STATES DEPARTMENT OF COMMERCE

South Dakota Export Assistance Center

Whether you're looking to make your first export sale or expand to additional international markets, the Export Assistance Center can offer the trade counseling, market intelligence, business matchmaking and commercial diplomacy needed to connect with lucrative business opportunities. In addition, the Center will help you develop trade finance and insurance strategies that align with your particular business objectives and help you complete your export transaction. For more information, contact:

Cinnamon King
Sioux Falls U.S. Export Assistance Center
2001 S. Summit Ave.
Augustana College/Madsen Center
Sioux Falls, SD 57197
605-330-4264
cinnamon.king@mail.doc.gov

REACHING UNDERSERVED COMMUNITIES

Great Plains International Trade Association

The non-profit 501(C)(6) "Great Plains International Trade Association" ("G.P.I.T.A.") serves as the "clearing-house" for South Dakota's and its surrounding regions' importing and exporting businesses when they have problems and issues with regards to international freight. It directs them to logistics specialists, international banks and international attorneys, international freight insurance firms, etc.

GPITA serves as: a resource center, a provider of networking, an advocate, a provider of education through its conducting of forums, "roll-up-the-sleeves" work-shops, guest speakers, etc., a provider of current information, a host to domestic and foreign dignitaries and a provider an electronic newsletter consisting of international freight information i.e. U.S. Customs compliance, foreign countries' rules and regulations, etc..

GPITA's ultimate goals are to:
a) continue to seek reduced domestic/international freight rates, b) continue to seek reduced domestic/international freight transit times and c) create better equipment efficiencies i.e. coordinate export backhauls for ocean containerized products so that these containers can be trucked back full to Minneapolis and Omaha.

For more information contact:

Bruce Viau, Executive Director
700 W. 21st St./P.O. Box 720
Yankton, SD 57078
605-668-2589 or 605-660-2848
605-665-8858 Fax
BruceViau@KolborgPioneer.com

International Trade Center

The International Trade Center (ITC) was established in July 2011. The ITC office is a partnership between the U.S. Small Business Administration, South Dakota Governor's Office of Economic Development, South Dakota Small Business Development Center, Great Plains International Trade Association, U.S. Department of Commerce and the Sioux Falls Development Foundation.

The ITC works with businesses in South Dakota pertaining to importing and exporting opportunities. In addition to providing confidential, professional and no-cost one-on-one consulting, the office also offers international business and financial plan assessments and hosts exporting/importing training seminars.

INTERNATIONAL TRADE CENTER TESTIMONIAL

"Rock and his team have been tremendous assets in providing insight and access to resources that our company needs to be successful in this new arena."

Ron Clark, General Manager
Load King Trailers
Elk Point

The ITC provides financial services including working with South Dakota's exporters on financial projections and understanding international trade finance programs that are offered by the Small Business Administration and Ex-Im Bank. For more information, contact:

Rock Nelson, Regional Director
Small Business Development Center
International Trade Center
1 W. Weather Ln., Ste. 400
Sioux Falls, SD 57104
605-338-3424 or 605-941-6696
rock@siouxfalls.com
www.usd.edu/sbdc

Oglala Oyate Woitancan Empowerment Zone

The Oglala Oyate Woitancan Empowerment Zone, a mobilizer, acts as a broker between the community and those sources (including local, state government, private tribal and lending institutions), selecting and introducing parties who may not already know each other, and assisting in negotiations and communications between those parties. OOW/EZ provides funding to projects that fall within one of the EZ benchmarks and if they do not fall under a specific benchmark OOW/EZ will then act as a broker to the applicant. For more information, contact:

Oglala Oyate Woitancan Empowerment Zone

P.O. Box 655
Kyle, SD 57752
605-455-1570
South Dakota Tribal Reservations

Cheyenne River Sioux Tribe

P.O. Box 590
Eagle Butte, SD 57625-0590
605-964-4155

Crow Creek Sioux Tribe

P.O. Box 658
Ft. Thompson, SD 57339-0050
605-245-2221

Flandreau Santee Sioux Tribe

P.O. Box 283
Flandreau, SD 57028-0283
605-997-3891

Lower Brule Sioux Tribe

P.O. Box 187
Lower Brule, SD 57548-0187
605-473-5561

Oglala Sioux Tribe

P.O. Box 2070
Pine Ridge, SD 57770-2070
605-867-5821

Rosebud Sioux Tribe

P.O. Box 430
Rosebud, SD 57570-0430
605-747-2381

Sisseton-Wahpeton Sioux Tribe

P.O. Box 509
Agency Village, SD 57262-0509
605-698-3911

Standing Rock Sioux Tribe

P.O. Box D
Ft. Yates, ND 58538-0522
701-854-7202

Yankton Sioux Tribe

P.O. Box 248
Marty, SD 57361-0248
605-384-3804

NATIVE AMERICAN BUSINESS DEVELOPMENT

The SBA Office of Native American Affairs (ONAA) ensures American Indians, Alaska Natives and Native Hawaiians seeking to create, develop and expand small businesses have full access to the necessary business development and expansion tools available through the agency's entrepreneurial development, lending, and contracting programs. ONAA provides a network of training (including the online tool "Small Business Primer: Strategies for Growth") and counseling services and engages in numerous outreach activities, such as tribal consultations, development and distribution of educational materials, attendance and participation in economic development events and assisting these small businesses with SBA programs.

Visit www.sba.gov/naa for more information.

Most new business owners who succeed have planned for every phase of their success. Thomas Edison, the great American inventor, once said, "Genius is 1 percent inspiration and 99 percent perspiration." That same philosophy also applies to starting a business.

First, you'll need to generate a little bit of perspiration deciding whether you're the right type of person to start your own business.

IS ENTREPRENEURSHIP FOR YOU?

There is simply no way to eliminate all the risks associated with starting a small business, but you can improve your chances of success with good planning, preparation, and insight. Start by evaluating your strengths and weaknesses as a potential owner and manager of a small business. Carefully consider each of the following questions:

- **Are you a self-starter?** It will be entirely up to you to develop projects, organize your time, and follow through on details.
- **How well do you get along with different personalities?** Business owners need to develop working relationships with a variety of people including customers, vendors, staff, bankers, employees, and professionals such as lawyers, accountants, or consultants. Can you deal with a demanding client, an unreliable vendor, or a cranky receptionist if your business interests demand it?
- **How good are you at making decisions?** Small business owners are required to make decisions constantly — often quickly, independently, and under pressure.
- **Do you have the physical and emotional stamina to run a business?** Business ownership can be exciting, but it's also a lot of work. Can you face six or seven 12-hour workdays every week?
- **How well do you plan and organize?** Research indicates that poor planning is responsible for most business failures. Good organization — of financials, inventory, schedules, and production — can help you avoid many pitfalls.
- **Is your drive strong enough?** Running a business can wear you down emotionally. Some business owners burn out quickly from having to carry all the responsibility for the success of their business on their

own shoulders. Strong motivation will help you survive slowdowns and periods of burnout.

- **How will the business affect your family?** The first few years of business start-up can be hard on family life. It's important for family members to know what to expect and for you to be able to trust that they will support you during this time. There also may be financial difficulties until the business becomes profitable, which could take months or years. You may have to adjust to a lower standard of living or put family assets at risk.

Once you've answered those questions, you should consider what type of business you want to start. Businesses can include franchises, at-home businesses, online businesses, brick-and-mortar stores or any combination of those.

FRANCHISING

There are more than 3,000 business franchises. The challenge is to decide on one that both interests you and is a good investment. Many franchising experts suggest that you comparison shop by looking at multiple franchise opportunities before deciding on the one that's right for you.

Some of the things you should look at when evaluating a franchise: historical profitability, effective financial management and other controls, a good image, integrity and commitment, and a successful industry.

In the simplest form of franchising, while you own the business, its operation is governed by the terms of the franchise agreement. For many, this is the chief benefit for franchising. You are able to capitalize on a business format, trade name, trademark and/or support system provided by the franchisor. But you operate as an independent contractor with the ability to make a profit or sustain a loss commensurate with your ownership.

If you are concerned about starting an independent business venture, then franchising may be an option for you. Remember that hard work, dedication and sacrifice are key elements in the success of any business venture, including a franchise.

Visit www.sba.gov/franchise for more information.

HOME-BASED BUSINESSES

Going to work used to mean traveling from home to a plant, store or office. Today, many people do some or all their work at home.

Getting Started

Before diving headfirst into a home-based business, you must know why you are doing it. To succeed, your business must be based on something greater than a desire to be your own boss. You must plan and make improvements and adjustments along the road.

Working under the same roof where your family lives may not prove to be as easy as it seems. One suggestion is to set up a separate office in your home to create a professional environment.

Ask yourself these questions:

- Can I switch from home responsibilities to business work easily?
- Do I have the self-discipline to maintain schedules while at home?
- Can I deal with the isolation of working from home?

Legal Requirements

A home-based business is subject to many of the same laws and regulations affecting other businesses.

Some general areas include:

- **Zoning regulations.** If your business operates in violation of them, you could be fined or shut down.
- **Product restrictions.** Certain products cannot be produced in the home. Most states outlaw home production of fireworks, drugs, poisons, explosives, sanitary or medical products and toys. Some states also prohibit home-based businesses from making food, drink or clothing.

Be sure to consult an attorney and your local and state departments of state, labor and health to find out which laws and regulations will affect your business. Additionally, check on registration and accounting requirements needed to open your home-based business. You may need a work certificate or license from the state. Your business name may need to be registered with the state. A separate business telephone and bank account are good business practices.

Also remember, if you have employees you are responsible for withholding income and social-security taxes, and for complying with minimum wage and employee health and safety laws.

After you've thought about what type of business you want, the next step is to develop a business plan. Think of the business plan as a roadmap with milestones for the business. It begins as a pre-assessment tool to determine profitability and market share, then expands as an in-business assessment tool to determine success, obtain financing and determine repayment ability, among other factors.

Creating a comprehensive business plan can be a long process, and you need good advice. The SBA and its resource partners, including Small Business Development Centers, Women's Business Centers, Veterans Business Outreach Centers, and SCORE, have the expertise to help you craft a winning business plan. SBA also offers online templates to get you started.

In general, a good business plan contains:

Introduction

- Give a detailed description of the business and its goals.
- Discuss ownership of the business and its legal structure.
- List the skills and experience you bring to the business.
- Discuss the advantages you and your business have over competitors.



Marketing

- Discuss the products and services your company will offer.
- Identify customer demand for your products and services.
- Identify your market, its size and locations.
- Explain how your products and services will be advertised and marketed.
- Explain your pricing strategy.

Financial Management

- Develop an expected return on investment and monthly cash flow for the first year.

- Provide projected income statements, and balance sheets for a two-year period.
- Discuss your break-even point.
- Explain your personal balance sheet and method of compensation.
- Discuss who will maintain your accounting records and how they will be kept.
- Provide "what if" statements addressing alternative approaches to potential problems.

Operations

- Explain how the business will be managed day-to-day.
- Discuss hiring and personnel procedures.
- Discuss insurance, lease or rent agreements, and issues pertinent to your business.
- Account for the equipment necessary to produce your goods or services.
- Account for production and delivery of products and services.

Concluding Statement

Summarize your business goals and objectives and express your commitment to the success of your business. Once you have completed your business plan, review it with a friend or business associate and professional business counselor like SCORE, WBC or SBDC representatives, SBA district office business development specialists or veterans business development specialists.

Remember, the business plan is a flexible document that should change as your business grows.



CAPITAL

Financing Options to Start or Grow Your Business



Many entrepreneurs need financial resources to start or expand a small business themselves and must combine what they have with other sources of financing. These sources can include family and friends, venture-capital financing, and business loans.

This section of the Small Business Resource guide discusses SBA's primary business loan and equity financing programs. These are: the 7(a) Loan Program, the Certified Development Company or 504 Loan Program, the Microloan Program and the Small Business Investment Company Program. The distinguishing features for these programs are the total dollar amounts that can be borrowed, the type of lenders who can provide these loans, the uses for the loan proceeds, and the terms placed on the borrower.

Note: The SBA does not offer grants to individual business owners to start or grow a business.

SBA BUSINESS LOANS

If you are contemplating a business loan, familiarize yourself with the SBA's business loan programs to see if they may be a viable option. Keep in mind the dollar amount you seek to borrow and how you want to use the loan proceeds. The three principal players in most of these programs are the

applicant small business, the lender and the SBA. SBA guarantees a portion of the loan (except for Microloans). The business should have its business plan prepared before it applies for a loan. This plan should explain what resources will be needed to accomplish the desired business purpose including the associated costs, the applicants' contribution, use of loan proceeds, collateral, and, most important, an explanation of how the business will be able to repay the loan in a timely manner.

The lender will analyze the application to see if it meets the lender's criteria and SBA's requirements. SBA will look to the lender to do much, if not all, of the analysis before it provides its guaranty on the lender's loan. In the case of microlenders, SBA loans these intermediaries funds at favorable rates to re-lend to businesses with financing needs up to \$50,000. The SBA's business loan programs provide a key source of financing for viable small businesses that have real potential but cannot qualify for long-term, stable financing.

7(a) LOAN PROGRAM

The 7(a) Loan program is the SBA's primary business loan program. It is the agency's most frequently used non-disaster financial assistance

program because of its flexibility in loan structure, variety of loan proceeds, and availability. The program has broad eligibility requirements and credit criteria to accommodate a wide range of financing needs.

The business loans that SBA guarantees do not come from the agency, but rather from banks and other approved lenders. The loans are funded by these organizations, and they make the decisions to approve or not approve the applicants' requests.

The SBA guaranty reduces the lender's risk of borrower non-payment. If the borrower defaults, the lender can request SBA to pay the lender that percentage of the outstanding balance guaranteed by SBA. This allows the lender to recover a portion from SBA of what it lent if the borrower can't make the payments. The borrower is still obligated for the full amount.

To qualify for an SBA loan, a small business must meet the lender's criteria and the 7(a) requirements. In addition, the lender must certify that it would not provide this loan under the proposed terms and conditions unless it can obtain an SBA guaranty. If the SBA is going to provide a lender with a guaranty, the applicant must be eligible and creditworthy and the loan structured under conditions acceptable to SBA.

Percentage of Guaranties and Loan Maximums

The SBA only guarantees a portion of any particular loan so each loan will also have an unguaranteed portion, giving the lender a certain amount of exposure and risk on each loan. The percentage SBA guarantees depends on either the dollar amount or the program the lender uses to obtain its guaranty. For loans of \$150,000 or less the SBA may guaranty as much as 85 percent and for loans over \$150,000 the SBA can provide a guaranty of up to 75 percent.

The maximum 7(a) loan amount is \$5 million. (Loans made under the SBAExpress program, which is discussed later in this section, have a 50 percent guaranty.)

Interest Rates and Fees

The actual interest rate for a 7(a) loan guaranteed by SBA is negotiated

What To Take To The Lender

Documentation requirements may vary; contact your lender for the information you must supply.

Common requirements include the following:

- Purpose of the loan
- History of the business
- Financial statements for three years (existing businesses)
- Schedule of term debts (existing businesses)
- Aging of accounts receivable and payable (existing businesses)
- Projected opening-day balance sheet (new businesses)
- Lease details
- Amount of investment in the business by the owner(s)
- Projections of income, expenses and cash flow as well as an explanation of the assumptions used to develop these projections
- Personal financial statements on the principal owners
- Resume(s) of the principal owners and managers.

How the 7(a) Program Works

Applicants submit their loan application to a lender for the initial review. The lender will generally review the credit merits of the request before deciding if they will make the loan themselves or if they will need an SBA guaranty. If a guaranty is needed, the lender will also review eligibility. The applicant should be prepared to complete some additional documents before the lender sends the request for guaranty to the SBA. Applicants who feel they need more help with the process should contact their local SBA district office or one of SBA's resource partners for assistance.

There are several ways a lender can apply for a 7(a) guaranty from SBA. The main differences between these methods are related to the documentation which the lender provides, the amount of review which SBA conducts, the amount of the loan and the lender responsibilities in case the loan defaults and the business' assets must be liquidated. The methods are:

- Standard 7(a) Guaranty
- Certified Lender Program
- Preferred Lender Program
- Rural Lender Advantage
- SBA *Express*
- Patriot *Express*
- Export *Express*
- Small Loan Advantage
- Community Advantage

For the Standard, Certified and Preferred methods, the applicant fills out SBA Form 4, and the lender completes SBA Form 4-1. When requests for guarantees are processed using Express or Advantage methods, the applicant uses more of the regular forms of the lender and just has a few federal forms to complete. When SBA receives a request that is processed through Standard or Certified Lender Program procedures, it either reanalyzes or reviews the lender's eligibility and credit analysis before deciding to approve or reject. For requests processed through Preferred Lender Program or Express programs, the lender is delegated the authority to make the credit decision without SBA's concurrences, which helps expedite the processing time.

In guaranteeing the loan, the SBA assures the lender that, in the event the borrower does not repay the loan, the government will reimburse the lending institution for a portion of its loss. By providing this guaranty, the SBA is able to help tens of thousands of small businesses every year get financing they might not otherwise obtain.

After SBA approval, the lender is notified that its loan has been guaranteed. The lender then will work with the applicant to make sure the terms and conditions are met before closing the loan, disbursing the funds, and assuming responsibility for collection and general servicing. The borrower makes monthly loan payments directly to the lender. As with any loan, the borrower is responsible for repaying the full amount of the loan in a timely manner.

What the SBA Looks for:

- Ability to repay the loan on time from the projected operating cash flow;
- Owners and operators who are of good character;
- Feasible business plan;
- Management expertise and commitment necessary for success;
- Sufficient funds, including the SBA guaranteed loan, to operate the business on a sound financial basis (for new businesses, this includes the resources to meet start-up expenses and the initial operating phase);
- Adequate equity invested in the business; and
- Sufficient collateral to secure the loan or all available collateral if the loan cannot be fully secured.

between the applicant and lender and subject to SBA maximums. Both fixed and variable interest rate structures are available. The maximum rate is comprised of two parts, a base rate and an allowable spread. There are three acceptable base rates (Wall Street Journal Prime*, London Interbank One Month Prime plus 3 percent, and an SBA Peg Rate). Lenders are allowed to add an additional spread to the base rate to arrive at the final rate. For loans with maturities of less than seven years, the maximum spread will be no more than 2.25 percent. For loans with maturities of seven years or more, the maximum spread will be 2.75 percent. The spread on loans under \$50,000 and loans processed through Express procedures may be higher.

Loans guaranteed by SBA are assessed a guaranty fee. This fee is based on the loan's maturity and the dollar amount guaranteed, not the total loan amount. The guaranty fee is initially paid by the lender and then passed on to the borrower at closing. The funds to reimburse the lender can be included in the loan proceeds.

On any loan with a maturity of one year or less, the fee is just 0.25 percent of the guaranteed portion of the loan. On loans with maturities of more than one year, the normal guaranty fee is 2 percent of the SBA guaranteed portion on loans up to \$150,000; 3 percent on loans over \$150,000 but not more than \$700,000; and 3.5 percent on loans over \$700,000. There is also an additional fee of 0.25 percent on any guaranteed portion over \$1 million.

*** All references to the prime rate refer to the base rate in effect on the first business day of the month the loan application is received by SBA.**

7(a) Loan Maturities

SBA loan programs are generally intended to encourage longer term small business financing, but actual loan maturities are based on the ability to repay, the purpose of the loan proceeds and the useful life of the assets financed. However, maximum loan maturities have been established: 25 years for real estate; up to 10 years for equipment (depending on the useful life of the equipment); and generally up to seven years for working capital. Short-term loans and revolving lines of credit are also available through the SBA to help small businesses meet their short-term and cyclical working capital needs.

Structure

Most 7(a) loans are repaid with monthly payments of principal and interest. For fixed-rate loans the

payments stay the same, whereas for variable rate loans the lender can re-establish the payment amount when the interest rates change or at other intervals, as negotiated with the borrower. Applicants can request that the lender establish the loan with interest-only payments during the start-up and expansion phases (when eligible) to allow the business time to generate income before it starts making full loan payments. Balloon payments or call provisions are not allowed on any 7(a) loan. The lender may not charge a prepayment penalty if the loan is paid off before maturity, but the SBA will charge the borrower a prepayment fee if the loan has a maturity of 15 or more years and is pre-paid during the first three years.

Collateral

The SBA expects every 7(a) loan to be fully secured, but the SBA will not decline a request to guaranty a loan if the only unfavorable factor is insufficient collateral, provided all available collateral is offered. What these two policies mean is that every SBA loan is to be secured by all available assets (both business and personal) until the recovery value equals the loan amount or until all assets have been pledged to the extent that they are reasonably available. Personal guaranties are required from all the principal owners of the business. Liens on personal assets of the principals may be required.

Eligibility

7(a) loan eligibility is based on four different factors. The first is size, as all loan recipients must be classified as "small" by SBA. The basic size standards are outlined below. A more in-depth listing of standards can be found at www.sba.gov/size.

SBA Size Standards have the following general ranges:

- Manufacturing — from 500 to 1,500 employees
- Wholesale Trades — Up to 100 employees
- Services — \$2 million to \$35.5 million in average annual receipts
- Retail Trades — \$7 million to \$35.5 million in average annual receipts
- Construction — \$7 million to \$33.5 million in average annual receipts
- Agriculture, Forestry, Fishing, and Hunting — \$750,000 to \$17.5 million in average annual receipts

There is an alternate size standard for businesses that do not qualify under their industry size standards for SBA funding – tangible net worth (\$15 million or less) and average net income (\$5 million or less for two years). This new alternate makes more businesses eligible for SBA loans

and applies to SBA non-disaster loan programs, namely its 7(a) Business Loans and Development Company programs.

Nature of Business

The second eligibility factor is based on the nature of the business and the process by which it generates income or the customers it serves. The SBA has general prohibitions against providing financial assistance to businesses involved in such activities as lending, speculating, passive investment, pyramid sales, loan packaging, presenting live performances of a prurient sexual nature, businesses involved in gambling and any illegal activity.

The SBA also cannot loan guaranties to non-profit businesses, private clubs that limit membership on a basis other than capacity, businesses that promote a religion, businesses owned by individuals incarcerated or on probation or parole, municipalities, and situations where the business or its owners previously failed to repay a federal loan or federally assisted financing.

Use of Proceeds

The third eligibility factor is use of proceeds. 7(a) proceeds can be used to: purchase machinery; equipment; fixtures; supplies; make leasehold improvements; as well as land and/or buildings that will be occupied by the business borrower.

Proceeds can also be used to:

- Expand or renovate facilities;
- Acquire machinery, equipment, furniture, fixtures and leasehold improvements;
- Finance receivables and augment working capital;
- Finance seasonal lines of credit;
- Acquire businesses;
- Start up businesses;
- Construct commercial buildings; and
- Refinance existing debt under certain conditions.

SBA 7(a) loan proceeds cannot be used for the purpose of making investments. SBA proceeds cannot be used to provide funds to any of the owners of the business except for ordinary compensation for actual services provided.

Miscellaneous Factors

The fourth factor involves a variety of requirements such as SBA's credit elsewhere test and utilization of personal assets requirements, where the business and its principal owners must use their own resources before getting a loan guaranteed by SBA. It also includes SBA's anti-discrimination rules and limitations on lending to agricultural enterprises because

there are other agencies of the federal government with programs to fund such businesses.

Generally, SBA loans must meet the following criteria:

- Every loan must be for a sound business purpose;
- There must be sufficient invested equity in the business so it can operate on a sound financial basis;
- There must be a potential for long-term success;
- The owners must be of good character and reputation; and
- All loans must be so sound as to reasonably assure repayment.

For more information, go to

www.sba.gov/apply.

SPECIAL PURPOSE 7(a) LOAN PROGRAMS

The 7(a) program is the most flexible of SBA's lending programs. The agency has created several variations to the basic 7(a) program to address the particular financing need of certain small businesses. These special purpose programs are not necessarily for all businesses but may be very useful to some small businesses. They are generally governed by the same rules, regulations, fees, interest rates, etc. as the regular 7(a) loan guaranty. Lenders can advise you of any variations.

SBAExpress

The SBAExpress guaranty is available to lenders as a way to obtain a guaranty on smaller loans up to \$350,000. The program authorizes selected, experienced lenders to use mostly their own forms, analysis and procedures to process, service and liquidate SBA-guaranteed loans. The SBA guarantees up to 50 percent of an SBAExpress loan. Loans under \$25,000 do not require collateral. The use of loan proceeds is the same as for any basic 7(a) loan. Like most 7(a) loans, maturities are usually five to seven years for working capital and up to 25 years for real estate or equipment. Revolving lines of credit are allowed for a maximum of seven years.

Patriot Express and Other Lending Programs For Veterans

The Patriot Express pilot loan initiative is for veterans and members of the military community wanting to establish or expand a small business. Eligible military community members include:

- Veterans;
- Service-disabled veterans;
- Active-duty servicemembers eligible for the military's Transition Assistance Program;

- Reservists and National Guard members;
- Current spouses of any of the above, including any servicemember;
- The widowed spouse of a servicemember or veteran who died during service or of a service-connected disability.

The Patriot Express loan is offered by SBA's nationwide network of private lenders and features the fastest turnaround time for loan approvals. Loans are available up to \$500,000 and qualify for SBA's maximum guaranty of 85 percent for loans of \$150,000 or less and 75 percent for loans over \$150,000 up to \$500,000. For loans above \$350,000, lenders are required to either obtain all collateral or enough collateral so the value is equal to the loan amount, whichever comes first.

The Patriot Express loan can be used for most business purposes, including start-up, expansion, equipment purchases, working capital, and inventory or business-occupied real-estate purchases.

Patriot Express loans feature SBA's lowest interest rates for business loans, generally 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan. Your local SBA district office will have a listing of Patriot Express lenders in your area. More information is available at www.sba.gov/patriotexpress.

Self-employed Reserve or Guard members with an existing SBA loan can request from their SBA lender or SBA district office, loan payment deferrals, interest rate reductions and other relief after they receive their activation orders. The SBA also offers special low-interest-rate financing of up to \$2 million when an owner or essential employee is called to active duty through the Military Reservist Economic Injury Disaster Loan program (MREIDL) to help cover operating costs due to the loss of an essential employee called to active duty.

Rural Lender Advantage

The Small/Rural Lender Advantage (SRLA) initiative is designed to accommodate the unique loan processing needs of small community/rural-based lenders by simplifying and streamlining loan application process and procedures, particularly for smaller SBA loans. It is part of a broader SBA initiative to promote the economic development of local communities, particularly those facing the challenges of population loss, economic dislocation, and high unemployment. Visit www.sba.gov/content/rural-business-loans for more information.

Advantage Loans

In early 2011, SBA rolled out two Advantage loan initiatives aimed at helping entrepreneurs and small business owners in underserved communities gain access to capital. Both offer a streamlined loan application process and the regular 7(a) loan guarantee for loans under \$250,000.

The **Small Loan Advantage** program is available to lenders participating in the Preferred Lenders Program. SBA lenders who are not participating in the Preferred Lenders Program can contact their local district office to apply.

The **Community Advantage pilot program** opens up 7(a) lending to mission-focused, community-based lenders – such as Community Development Financial Institutions (CDFIs), Certified Development Companies (CDCs), and microlenders – who provide technical assistance and economic development support in underserved markets.

More information on both programs is available at www.sba.gov/advantage or contact:

Lori Finnesand
Northeast SD Economic Corporation
104 Ash St. E.
Sisseton, SD 57262
605-698-7654
www.nesdec.org

CAPLines

The CAPLines program is designed to help small businesses meet their short-term and cyclical working capital needs. The programs can be used to finance seasonal working capital needs; finance the direct costs of performing certain construction, service and supply contracts, subcontracts, or purchase orders; finance the direct cost associated with commercial and residential construction; or provide general working capital lines of credit. SBA provides up to an 85 percent guarantee. There are four distinct loan programs under the CAPLine umbrella:

- **The Contract Loan Program** is used to finance the cost associated with contracts, subcontracts, or purchase orders. Proceeds can be disbursed before the work begins. If used for one contract or subcontract, it is generally not revolving; if used for more than one contract or subcontract at a time, it can be revolving. The loan maturity is usually based on the length of the contract, but no more than ten years. Contract payments are generally sent directly to the lender but alternative structures are available.
- **The Seasonal Line of Credit Program** is used to support buildup of inventory, accounts receivable or labor and

materials above normal usage for seasonal inventory. The business must have been in business for a period of 12 months and must have a definite established seasonal pattern. The loan may be used over again after a "clean-up" period of 30 days to finance activity for a new season. These also may have a maturity of up to five years. The business may not have another seasonal line of credit outstanding but may have other lines for non-seasonal working capital needs.

- **The Builders Line Program** provides financing for small contractors or developers to construct or rehabilitate residential or commercial property. Loan maturity is generally three years but can be extended up to five years, if necessary, to facilitate sale of the property. Proceeds are used solely for direct expenses of acquisition, immediate construction and/or significant rehabilitation of the residential or commercial structures. The purchase of the land can be included if it does not exceed 20 percent of the loan proceeds. Up to 5 percent of the proceeds can be used for physical improvements that benefit the property.
- **The Working Capital Line** is a revolving line of credit (up to \$5,000,000) that provides short term working capital. These lines are generally used by businesses that provide credit to their customers. Disbursements are generally based on the size of a borrower's accounts receivable and/or inventory. Repayment comes from the collection of accounts receivable or sale of inventory. The specific structure is negotiated with the lender. There may be extra servicing and monitoring of the collateral for which the lender can charge up to two percent annually to the borrower.

International Trade Loan Program

The SBA's International Trade Loan (ITL) provides small businesses with enhanced export financing options for their export transactions. It is designed to help small businesses enter and expand into international markets and, when adversely affected by import competition, make the investments necessary to better compete. The ITL offers a combination of fixed asset, working capital financing and debt refinancing with the SBA's maximum guaranty--- 90 percent --- on the total loan amount. The maximum loan amount is \$5 million in total financing.

Guaranty Coverage

The SBA can guaranty up to 90 percent of an ITL up to a maximum of \$4.5 million, less the amount of

the guaranteed portion of other SBA loans outstanding to the borrower. The maximum guaranty for any working capital component of an ITL is \$4 million. Additionally, any other working capital SBA loans the borrower has are counted against the \$4 million guaranty limit.

Use of Proceeds

- For the facilities and equipment portion of the loan, proceeds may be used to acquire, construct, renovate, modernize, improve or expand facilities or equipment in the U.S. to produce goods or services involved in international trade.
- Working capital is an allowable use of proceeds under the ITL.
- Proceeds may be used for the refinancing of debt structured with unreasonable terms and conditions, including any debt that qualifies for refinancing under the standard SBA 7(a) Loan Program.

Loan Term

- Maturities on the working capital portion of the ITL are typically limited to 10 years.
- Maturities of up to 10 years on equipment unless the useful life exceeds 10 years.
- Maturities of up to 25 years are available for real estate.
- Loans with a mixed use of fixed-asset and working-capital financing will have a blended-average maturity.

Interest Rates

Lenders may charge between 2.25 to 2.75 percent above the prime rate (as published in the Wall Street Journal) depending upon the maturity of the loan. Interest rates on loans of \$50,000 and less can be slightly higher.

Exporter Eligibility

- Applicants must meet the same eligibility requirements as for the SBA's standard 7(a) Loan Program.
- Applicants must also establish that the loan will allow the business to expand or develop an export market or, demonstrate that the business has been adversely affected by import competition and that the ITL will allow the business to improve its competitive position.

Foreign Buyer Eligibility

Foreign buyers must be located in those countries wherein the Export-Import Bank of the U.S. is not prohibited from providing financial assistance.

Collateral Requirements

- Only collateral located in the U.S. (including its territories and possessions) is acceptable.
- First lien on property or equipment financed by the ITL or on other assets

of the business is required. However, an ITL can be secured by a second lien position if the SBA determines there is adequate assurance of loan payment.

- Additional collateral, including personal guaranties and those assets not financed with ITL proceeds, may be appropriate.

How to Apply

- A small business seeking an ITL must apply to an SBA-participating lender. The lender will submit a completed Application for Business Loan (SBA Form 4), including all exhibits, to the SBA. Visit www.sba.gov to find your local SBA district office for a list of participating lenders.
- A small business exporter wanting to qualify as adversely impacted from import competition must submit supporting documentation that explains that impact, and a plan with projections that explains how the loan will improve the business' competitive position.

Export Express

SBA Export Express offers flexibility and ease of use to both borrowers and lenders. It is the simplest export loan product offered by the SBA and allows participating lenders to use their

own forms, procedures and analyses. The SBA provides the lender with a response within 36 hours.

This loan is subject to the same loan processing, closing, servicing and liquidation requirements as well as the same maturity terms, interest rates and applicable fees as for other SBA loans (except as noted below).

Guaranty Coverage

The SBA provides lenders with a 90 percent guaranty on loans up to \$350,000 and a 75 percent guaranty on loans more than \$350,000 up to the maximum of \$500,000.

Use of Proceeds

Loan proceeds may be used for business purposes that will enhance a company's export development. Export Express can take the form of a term loan or a revolving line of credit. As an example, proceeds can be used to fund participation in a foreign trade show, finance standby letters of credit, translate product literature for use in foreign markets, finance specific export orders, as well as to finance expansions, equipment purchases, and inventory or real estate acquisitions, etc.



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Ineligible Use of Proceeds

Proceeds may not be used to finance overseas operations other than those strictly associated with the marketing and/or distribution of products/services exported from the U.S.

Exporter Eligibility

Any business that has been in operation, although not necessarily in exporting, for at least 12 full months and can demonstrate that the loan proceeds will support its export activity is eligible for Export Express.

Foreign Buyer Eligibility

The exporter's foreign buyer must be a creditworthy entity and the methods of payment must be acceptable to the SBA and the SBA lender.

How to Apply

Interested businesses should contact their existing lender to determine if they are an SBA Express lender. Lenders that participate in SBA's Express program are also able to make Export Express loans. Application is made directly to the lender. Lenders use their own application material in addition to SBA's Borrower Information Form. Lenders' approved requests are then submitted with a limited amount of eligibility information to SBA's National Loan Processing Center for review.

Export Working Capital Program

The SBA's Export Working Capital Program (EWCP) assists lenders in meeting the needs of exporters seeking short-term export working capital. Exporters can apply for EWCP loans in advance of finalizing an export sale or contract. With an approved EWCP loan in place, exporters have greater flexibility in negotiating export payment terms — secure in the assurance that adequate financing will be in place when the export order is won.

Benefits of the EWCP

- Financing for suppliers, inventory or production of export goods.
- Export working capital during long payment cycles.
- Financing for stand-by letters of credit used as bid or performance bonds or down payment guarantees.
- Reserves domestic working capital for the company's sales within the U.S.
- Permits increased global competitiveness by allowing the exporter to extend more liberal sales terms.
- Increases sales prospects in under-developed markets which have high capital costs for importers.
- Low fees and quick processing times.

Guaranty Coverage

- Maximum loan amount is \$5,000,000.
- 90 percent of principal and accrued interest up to 120 days.
- Low guaranty fee of one-quarter of one percent of the guaranteed portion for loans with maturities of 12 months or less.
- Loan maturities are generally for 12 months or less.

Use of Proceeds

- To pay for the manufacturing costs of goods for export.
- To purchase goods or services for export.
- To support standby letters of credit to act as bid or performance bonds.
- To finance foreign accounts receivable.

Interest Rates

The SBA does not establish or subsidize interest rates on loans. The interest rate can be fixed or variable and is negotiated between the borrower and the participating lender.

Advance Rates

- Up to 90 percent on purchase orders.
- Up to 90 percent on documentary letters of credit.
- Up to 90 percent on foreign accounts receivable.
- Up to 75 percent on eligible foreign inventory located within the U.S.
- In all cases, not to exceed the exporter's costs.

Collateral Requirements

The export-related inventory and the receivables generated by the export sales financed with EWCP funds will be considered adequate collateral. The SBA requires the personal guarantee of owners with 20 percent or more ownership.

How to apply

Application is made directly to SBA-participating lenders. Businesses are encouraged to contact SBA staff at their local U.S. Export Assistance Center (USEAC) to discuss whether they are eligible for the EWCP and whether it is the appropriate tool to meet their export financing needs. Participating lenders review/approve the application and submit the request to SBA staff at the local USEAC.

U.S. Export Assistance Center

There are 20 U.S. Export Assistance Centers located throughout the U.S. They are staffed by SBA, U.S. Department of Commerce and Export-Import Bank of the U.S. personnel, and provide trade promotion and export-finance assistance in a single location. The USEACs also work closely with other federal, state and local

international trade organizations to provide assistance to small businesses. To find your nearest USEAC, visit: www.sba.gov/content/us-export-assistance-centers. You can find additional export training and counseling opportunities by contacting your local SBA office or contact:

Carlos Sosa
U.S. Small Business Administration
100 N. Sixth St., 210-C Butler Square
Minneapolis, MN 55403
612-348-1642
carlos.sosa@sba.gov

CERTIFIED DEVELOPMENT COMPANY LOAN PROGRAM (504 LOANS)

The 504 Loan program is an economic development program that supports American small business growth and helps communities through business expansion and job creation. This SBA program provides long-term, fixed-rate, subordinate mortgage financing for acquisition and/or renovation of capital assets including land, buildings and equipment. Some refinancing is also permitted. Most for-profit small businesses are eligible for this program. The types of businesses excluded from 7(a) loans (listed previously) are also excluded from the 504 loan program.

Loans are provided through Certified Development Companies. CDCs work with banks and other lenders to make loans in first position on reasonable terms, helping lenders retain growing customers and provide Community Redevelopment Act credit.

The SBA 504 loan is distinguished from the SBA 7(a) loan program in these ways:

The maximum debenture, or long-term loan, is:

- \$5 million for businesses that create a certain number of jobs or improve the local economy;
- \$5 million for businesses that meet a specific public policy goal, including veterans; and
- \$5.5 million for manufacturers and energy public policy projects.

Recent additions to the program allow \$5.5 million for each project that reduces the borrower's energy consumption by at least 10 percent; and \$5.5 million for each project that generates renewable energy fuels, such as biodiesel or ethanol production. Projects eligible for up to \$5.5 million under one of these two requirements do not have to meet the job creation or retention requirement, so long as the CDC portfolio average is at least \$65,000.

- Eligible project costs are limited to long-term, fixed assets such as land and building (occupied by the borrower) and substantial machinery and equipment. Working capital is not an eligible use of proceeds, except in a temporary program which is scheduled to expire on September 27, 2012.
- Most borrowers are required to make an injection (borrower contribution) of just 10 percent which allows the business to conserve valuable operating capital. A further injection of 5 percent is needed if the business is a start-up or new (less than 2 years old), and a further injection of 5 percent is also required if the primary collateral will be a single purpose building (such as a hotel).
- Two-tiered project financing: A lender finances approximately 50 percent of the project cost and receives a first lien on the project assets (but no SBA guaranty); A CDC (backed by a 100 percent SBA-guaranteed debenture) finances up to 40 percent of the project costs secured with a junior lien. The borrower provides the balance of the project costs.
- Fixed interest rate on SBA loan. SBA guarantees the debenture 100 percent. Debentures are sold in pools monthly to private investors. This low, fixed rate is then passed on to the borrower and establishes the basis for the loan rate.
- All project-related costs can be financed, including acquisition (land and building, land and construction of building, renovations, machinery and equipment) and soft costs, such as title insurance and appraisals. Some closing costs may be financed.
- Collateral is typically a subordinate lien on the assets financed; allows other assets to be free of liens and available to secure other needed financing.
- Long-term real estate loans are up to 20-year term, heavy equipment 10 - or 20-year term and are self-amortizing.

Businesses that receive 504 loans are:

- Small — net worth under \$15 million, net profit after taxes under \$5 million, or meet other SBA size standards.
- Organized for-profit.
- Most types of business — retail, service, wholesale or manufacturing.

The SBA's 504 certified development companies serve their communities by financing business expansion needs. Their professional staffs work directly with borrowers to tailor a financing package that meets program guidelines and the credit capacity of the borrower's business. For information, visit www.sba.gov/504.

SOUTH DAKOTA CDC'S

Black Hills Community Economic Development

Fran White
525 University Loop
Rapid City, SD 57701
605-394-1706
www.bhced.org/loans

Dakota Business Finance

Lynne Keller Forbes, Jessica Evens
500 Western Ave., Ste. 100
Sioux Falls, SD 57104
605-367-5390

First District Development Company

Paula Hulscher, Amy Waite
124 1st Ave. N.W./P.O. Box 1207
Watertown, SD 57201
605-882-5115
www.1stdistrict.org

Prairieland Economic Development Corporation

Ann Peterson
1 Prairie Dr.
Slayton, MN 56172-1142
507-836-6656
605-335-7332 Sioux Falls

Siouxland Economic Development Corporation

Ken Beekley
1106 Historic 4th St., Ste. 201
Sioux City, IA 51101
712-279-6430
Serves Union and Clay Counties.
www.siouxlandcdc.com

South Dakota Development Corporation

Lajena Gruis
Capitol Lake Plaza
711 E. Wells Ave.
Pierre, SD 57501
605-773-5032
www.sdgreatprofits.com

MICROLOAN PROGRAM

The Microloan program provides small loans ranging from under \$500 to \$50,000 to women, low-income, minority, veteran, and other small business owners through a network of approximately 160 intermediaries nationwide. Under this program, the SBA makes funds available to nonprofit intermediaries that, in turn, make the small loans directly to entrepreneurs, including veterans. Proceeds can be used for typical business purposes such as working capital, or the purchase of furniture, fixtures, machinery, supplies, equipment, and inventory. Microloans may not be used for the purchase of real estate. Interest rates are negotiated between the borrower and the intermediary. The maximum term for a microloan is 7 years.

The program also provides business-based training and technical assistance to microborrowers and potential microborrowers to help them be successful at starting or growing their businesses. Such training and technical assistance may include general business education, assistance with business planning industry-specific training, and other types of training support. Entrepreneurs and small business owners interested in small amounts of business financing should contact the nearest SBA District Office for information about the nearest Microloan Program Intermediary Lender or go to www.sba.gov/microloans or contact:

Lori Finnesand
Northeast SD Economic Corporation
104 Ash St. E.
Sisseton, SD 57262
605-698-7654
www.nesdec.org

SMALL BUSINESS INVESTMENT COMPANY PROGRAM

There are a variety of alternatives to bank financing for small businesses. The Small Business Investment Company (SBIC) program fills the gap between what owners can fund directly and the needs of the small business for growth capital. Licensed and regulated by the SBA, SBICs are privately owned and managed investment funds that make capital available to qualifying U.S. small businesses. The funds raise private capital and can receive SBA-guaranteed leverage up to 3x private capital, with a leverage ceiling of \$150 million per SBIC and \$225 million for two or more licenses under common control. Licensed SBICs are for-profit investment firms whose incentive is to share in the success of a small business. The SBIC program provides funding for a broad range of industries. Some SBICs invest in a particular field or industry while others invest more generally. For more information, visit www.sba.gov/inv.

SBIC - Bluestem Capital

122 S. Phillips Ave.
Sioux Falls, SD 57104
605-331-0091

SMALL BUSINESS INNOVATION RESEARCH PROGRAM

The Small Business Innovation Research (SBIR) program encourages small businesses to advance their technical potential from funds

committed by federal agencies with large extramural research and development budgets. The SBIR program serves to fund the critical startup and development stages for a technology and encourages commercialization of the technology, product or service. In turn, this stimulates the U.S. economy.

SBIR Requirements

Small businesses must meet the following eligibility criteria to participate in the SBIR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S. or be a for-profit business concern that is at least 51 percent owned and controlled by another for-profit business concern that is at least 51 percent owned and controlled by one or more individuals who are citizens of, or permanent resident aliens in, the U.S.
- Be for-profit.
- Principal researcher must be employed by the small business.
- Company size cannot exceed 500 employees.

For more information on the SBIR program visit www.sba.gov/sbir or contact:

Gary Archambault
Sioux Falls SBDC
2329 N. Career Ave.
Sioux Falls, SD 57107
605-367-5757
gary.archambault@usd.edu
www.usd.edu/sbir

Participating Agencies

Each year, the following eleven federal departments and agencies are required to reserve 2.5 percent of their extramural R&D funds for award to small businesses through the SBIR program: Departments of Agriculture; Commerce; Defense; Education; Energy; Health and Human Services; Homeland Security; Transportation; Environmental Protection Agency; National Aeronautics and Space Administration; and National Science Foundation.

SMALL BUSINESS TECHNOLOGY TRANSFER PROGRAM

The Small Business Technology Transfer (STTR) program reserves a specific percentage of federal R&D funding for award to small business and non-profit research institution partners. Central to the program is expansion of the public/private sector partnership to include the joint venture opportunities for small business and the nation's

premier nonprofit research institutions. Small business has long been where innovation and innovators thrive, but the risk and expense of conducting serious R&D efforts can be beyond the means of many small businesses. Non-profit research laboratories are also instrumental in developing high-tech innovations, but frequently innovation is confined to the theoretical. STTR combines the strengths of both entities by introducing entrepreneurial skills to high-tech research efforts.

The technologies and products are transferred from the laboratory to the marketplace. The small business profits from the commercialization, which, in turn, stimulates the U.S. economy.

STTR Requirements

Small businesses must meet the following eligibility criteria to participate in the STTR program.

- Be 51 percent owned and controlled by one or more individuals who are U.S. citizens or permanent resident aliens in the U.S.

SUCCESS STORY

Native Sun Ensures Tribal Communities Tell Their Own Stories Their Own Way

Tim Giago from Rapid City, South Dakota, has been in the newspaper business as a publisher and editor for 30 years. It has always been Giago's belief Native Americans are not served by the mainstream media and feels Indian people must be able to tell their own stories their own way, and the only way they can do this is to have control over their own media. This was the reason he started his first newspaper.

In 1981, Mr. Giago started the Lakota Times, a weekly newspaper, on the Pine Ridge Reservation in South Dakota. In addition to being an employer within a high unemployment environment, Giago used his newspaper as a forum for the establishment of jobs and Indian businesses on the Indian Reservation. He also used the newspaper to challenge the American Indian Movement for the violence it brought to the Reservation and withstood the retaliation of AIM shooting out the building's windows and the firebomb set off in December of 1982. Even though Giago had his windshield shot out in his face and he and his family received many death threats during those dark days of the early 1980's, he continued the successful building of the newspaper.

The paper was re-named Indian Country Today in 1992. Giago served as editor and publisher for 18 years building it into the largest Native-owned newspaper in America before selling the paper in 1998. He retired for two years before starting the Lakota Journal in 2000 and served as its editor and publisher until his retirement due to health problems in 2005. During that time, Giago secured Small Business Administration loans and with one purchased a printing press – an expensive investment for a small newspaper. After the Lakota Journal was purchased and unsuccessfully published, it finally folded in 2009. It was then that many of Giago's old friends and colleagues encouraged him to start another newspaper to fill the void which he did.

When Native Sun News began publication on April 1, 2009, it started with a

circulation of zero. In November, Giago took advantage of the **SBA Patriot Express Loan Program** to move to a new location and expand the circulation of the paper. In less than two years, 6,000 copies are distributed every week. The newspaper can be found on all nine reservations in South Dakota and has subscribers in Nebraska, North Dakota, Montana, Wyoming, Iowa, Colorado, Arizona and New Mexico. Giago feels Native Sun News is the best newspaper he has ever published and that says something as his newspapers have won more than 40 awards from the South Dakota Newspaper Association.

Giago's newspapers have always challenged people. In 1990, South Dakota Governor George Mickelson was challenged to proclaim that year The Year of Reconciliation between Indians and whites. The governor was also challenged to drop Columbus Day and replace it with Native American Day. South Dakota is the only state in the union to have a state-sanctioned holiday known as Native American Day. In 2010, Giago met with Governor Mike Rounds to proclaim that year as The Year of Unity in an effort to carry on the idea of unity started by Gov. Mickelson and Giago twenty years earlier. Giago's articles and editorials also challenged the use of Indians as mascots for sports teams and as a result, several high schools and colleges to drop the use of Indians as mascots.

In addition to the success of all of his newspapers, Giago himself has many achievements and the recipient of many professional writing awards. He was the founder and first president of the Native American Journalists Association in 1984. That same year the SBA recognized him as its Small Business Media Advocate of the Year. In 1990, Giago was selected as a Nieman Fellow to Harvard and was inducted into the South Dakota Hall of Fame in 1994. His publications have given him the opportunity to speak at many colleges and universities over the past 30 years and Giago has been awarded two honorable doctoral degrees.

- Be for-profit.
- Principal researcher need not be employed by the small business.
- Company size cannot exceed 500 employees. (No size limit for nonprofit research institution).

The nonprofit research institution partner must also meet certain eligibility criteria:

- Be located in the United States and be one of the following:
- Nonprofit college or university.
- Domestic nonprofit research organization.
- Federally funded R&D center.

Participating Agencies

Each year the following five Federal departments and agencies are required by STTR to reserve 0.3 percent of their extramural R&D funds for award to small business/nonprofit research institution partnerships: Department of Defense; Department of Energy; Department of Health and Human Services; National Aeronautics and Space Administration; and National Science Foundation.

For more information, contact:

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2329 N. Career Ave.
Sioux Falls, SD 57107
605-367-5757
gary.archambault@usd.edu
www.usd.edu/sbir

SURETY BOND GUARANTEE PROGRAM

The Surety Bond Guarantee program is a public-private partnership between the federal government and surety companies to provide small businesses with the bonding assistance necessary for them to compete for public and private contracting and subcontracting opportunities. The guarantee provides all incentive for sureties to bond small businesses that would otherwise be unable to obtain bonding. The program is aimed at small businesses that lack the working capital or performance track record necessary to secure bonding on a reasonable basis through regular commercial channels.

Through this program, the SBA guarantees bid, payment, performance

and ancillary bonds issued by surety companies for individual contracts and subcontracts up to \$2 million. The SBA reimburses sureties between 70 and 90 percent of losses sustained if a contractor defaults on the contract.

The SBA has two program options available, the Prior Approval Program (Plan A) and the Preferred Surety Bond Program (Plan B). In the Prior Approval Program, SBA guarantees 90 percent of surety's paid losses and expenses on bonded contracts up to \$100,000, and on bonded contracts greater than \$100,000 that are awarded to socially and economically disadvantaged concerns, HUBZone contractors, and veterans, and service-disabled veteran owned small businesses. All other bonds guaranteed in the Plan A Program receive an 80 percent guarantee. Sureties must obtain SBA's prior approval for each bond guarantee issued. Under Plan B, SBA guarantees 70 percent, but sureties may issue, monitor and service bonds without SBA's prior approval.

For more information contact Lisa at the South Dakota District Office, 605-330-4243 ext. 28.

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TIPS FOR INTERACTING WITH YOUR CUSTOMERS

SOCIAL MEDIA AN ESSENTIAL PART OF YOUR MARKETING TOOLKIT

Social media marketing is a great tool for engaging with customers, building your company's brand, and increasing your business reach. However, many small business owners make the mistake of using social media tools such as Twitter and Facebook for simply pushing their messages out. They miss a key communications and marketing opportunity by not listening to or joining in the conversations that are going on. In other words, they ignore the fundamental point of social media - being SOCIAL!

Just being on Twitter or Facebook is not enough. It takes time and effort to build a strong social media presence. When it comes to growing your social media presence and seeing a return on your investment it is easier said than done.

Here are three hands-on tactics that you can use.

1. Determine Where Your Customers are Online and How you Can Reach Them

- a. When considering social media as part of your overall marketing strategy, always start with asking the most basic questions:
 - What is it you want to achieve?
 - Where is your audience and will they respond?

b. Next, make sure your target audience is on Twitter, Facebook or whatever social network you are considering, or you may spend a lot of time on a channel that won't reach your target. You can do this in several ways:

- Survey your customers.
- Assess what your competition is doing.
- Get involved with social networks on a personal level by exploring communities and Facebook fan pages.
- Research trends in Twitter topics and try to build a picture of what your target market is doing and sharing on social networks.

c. And don't forget that while these tools are free, your investment in them isn't. It takes staff time and resources to use social media successfully.

2. Use Twitter to Engage and Entice

- a. Instead of simply Tweeting for Tweeting's sake, focus on making your Twitter strategy a rich and interactive experience. For example, use Tweets to start discussions on your products, special offers and events. Engage with followers by responding to mentions about your business; addressing their questions and inviting them to check out your website and so on.
- b. You can track mentions of your company or products in other Tweets using a Twitter application such as Tweetdeck or Hootsuite.



c. Don't be afraid to Tweet often. Anywhere between 5-10 Tweets a day is your target. Also remember to shake your message up. As every good marketer knows, tone and style are a huge factor in ensuring that your message stands out, resonates, and promotes action. Tweeting is like conversation, putting out static updates or statements will fall on flat ears, but engaging, teasing, querying, and showing interest will promote action. So shake your message up, use the words your audience uses, sprinkle in some hashtags and go on and tease a little.

So, instead of saying:

• *We're giving away 2 bagels for the price of one at BagelFest on Nov 25, 4-8 PM <LINK>*

Tweet this:

• *We know you love them! Get 2 bagels for the price of one on 11/25. Find out where <LINK>*

3. Use Facebook to its Fullest Effect

As with Twitter, Facebook is a great way for engaging with people who like your brand, want to interact with your business, stay abreast of latest developments, and take advantage of giveaways, contests, surveys, etc. It is also invaluable for brand exposure. While having a Facebook presence doesn't guarantee a huge uptick in visitors to your website, using it strategically to link back to online blogs, menus, event or newsletter registration landing pages and special offers, can improve site traffic.





7(a) Loan Program

Program	Maximum Amount	Use of Proceeds	Maturity	Maximum Interest Rate	Structure	Who Qualifies	Benefit to Borrowers
Standard 7(a): Applicant applies for business loan to lender; Lender applies to SBA for guaranty of their proposed loan if they determine it is necessary. Loan from lender, not SBA.	\$5 million to any one business, including affiliates	Expansion/renovation; new construction, purchase land or buildings; purchase equipment, fixtures, lease-hold improvements; working capital; inventory, business acquisition, startups and refinancing under certain conditions (discuss with lender).	Depends on use of proceeds and ability to repay. Generally working capital and machinery & equipment loans have 5-10 years; real estate is up to 25 years. Term negotiated with lender.	SBA sets a maximum rate for both variable and fixed rates loans (discuss with lender or local SBA District Office for current information).	Term loan with one payment of principal and interest (P&I) each month. Interest variable or fixed as negotiated with lender. Cannot be revolving. SBA charges a Guaranty Fee **	Must be for-profit and meet SBA size standards; show good character, credit, management, and ability to repay; must be an eligible type of business, use proceeds for eligible purpose, and demonstrate that credit is not otherwise available.	Business able to obtain financing which otherwise would not be provided due to term, collateral, equity, and/or time in business. Fixed maturity; No balloons; No prepayment penalty if maturity under 15 years. Establish or re-affirm business relationship with a lender.
International Trade: Long term financing to help businesses engaged in exporting or adversely impacted by imports.	Same as Standard 7(a).	Acquire, renovate, modernize facilities or equipment used in making products or services to be exported, plus permanent working capital and refinance debt not structured with reasonable terms.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a). Maximum SBA guaranty amount for working capital is \$4 million.	Same as Standard 7(a) plus businesses must be engaged or preparing to engage in international trade or adversely affected by competition from imports.	Same as Standard 7(a) plus long-term financing for fixed assets used to produce products or services for export.
Export Working Capital Program: Single transaction or Revolving Working Capital lines of credit for exporters.	Same as Standard 7(a).	Short-term, working-capital for exporters. Can be single transaction or revolving. Standby Letters of Credit for export purposes.	Generally one year, but can be up to 3 years to match a single transaction cycle.	Established by lender. No SBA established maximums.	Short term revolving line of credit based on borrowing base or export purchase orders. Monthly interest payments; principal payments based on collection of foreign receivables.	Same as Standard 7(a) plus must have been in business for at least one year and preparing to engage in or increase international trade.	Same as Standard 7(a) plus provides working capital to American Exporters to perform on export transactions and/or finance export receivables. Ability to financing standby letters of credit for export purposes.
CAPLines: Four different Revolving Lines of Credit, a/k/a Seasonal, Contract Builders, Working Capital	Same as Standard 7(a).	Finances: seasonal working capital needs, direct cost to perform assignable contracts, construction costs of structure for resale, or advances against existing inventory and receivables.	Up to 10 years.	Same as Standard 7(a).	Revolving line of credit with monthly interest and principal payments based on when the business receives the cash for doing the activity the loan proceeds financed.	Same as Standard 7(a) plus a business that needs the specialized proceeds this program offers.	Same as Standard 7(a) plus provides revolving working capital not otherwise available to perform on an assignable contract, to cover seasonal needs, to build or renovate personal or commercial space, and to obtain funds against existing current assets. Also structured to meet business needs.
SBAExpress: Lender approves the loan.	\$350,000.	Same as a Standard 7(a) or may be used for a revolving working capital line of credit.	Same as Standard 7(a) for term loans, Revolving lines of credit up to 7 years.	Loans \$50,000 or less: Prime + 6.5%. Loans over \$50,000: Prime + 4.5%.	Same as Standard 7(a) except lender has more leeway to structure repayment under their own rules.	Same as Standard 7(a).	Same as Standard 7(a) plus Streamlined process; Easy-to-use line of credit and allows for a revolving feature which Standard 7(a) does not.
Small Loan Advantage: lower-dollar loans to under-served areas	\$250,000.	Same as Standard 7(a).	Same as Standard 7(a).	Loans up to \$150,000: 85% Loans above \$150,000: 75%	Same as Standard 7(a).	Underserved markets.	Stream-lined application
Rural Lender Advantage: Rural-based or small community lender	\$350,000.	Same as Standard 7(a).	Same as Standard 7(a).	Loans up to \$150,000: 85% Loans above \$150,000: 75%	Same as Standard 7(a).	Rural and small community markets impacted by population loss, high unemployment	Stream-lined application

** The SBA charges the lender a guaranty fee based on the loan's maturity and the dollar amount which is initially guaranteed.

The lender can pass this expense to the borrower and loan proceeds can be used to reimburse the lender.

The 7(a) Guaranty Fee Reference Chart (on next page) explains the Agency's guaranty fee charges.

7(a) Loans, continued

Program	Maximum Amount	Use of Proceeds	Maturity	Maximum Interest Rate	Structure	Who Qualifies	Benefit to Borrowers
Export Express: Lender approves the loan.	\$500,000.	Same as SBA Express plus can be used for Standby Letters of Credit for Export Purposes. Debt Refinance is not allowed.	Same as SBA Express.	Same as SBA Express.	Same as SBA Express.	Same as SBA express plus loan proceeds must be used to support export development activity.	Same as SBA Express plus provides lenders with a higher percentage guaranty which can encourage them to make more loans to finance export development activities of small businesses. Standby Letters of Credit are also authorized.
Patriot Express: Lender approves the loan.	\$500,000.	Same as Standard 7(a).	Same as Standard 7(a).	Same as Standard 7(a).	Same as SBA Express.	Same as Standard 7(a) plus must be owned & controlled by one or more of the following groups equaling at least 51% total ownership: veteran, active-duty military, reservist or National Guard member or spouse of any of these groups, or widowed spouse of service member or veteran who died during service or of service connected disability.	Same as SBA Express plus provides lenders with a higher percentage of guaranty which can encourage them to make more loans to qualified businesses.
Community Advantage: Alternative Lenders assisting businesses located in areas with high needs.	\$250,000.	Same as Standard 7(a) except cannot be used to refinance loans made by or guaranteed by the Dept. of Agriculture or loans by SBA Micro-Lenders using their SBA intermediary loan.	Same as Standard 7(a).	Same as Standard 7(a) except allowable "Spread" is + 4% over the base rate.	Allows mission-oriented lenders focused on economic development in underserved markets to apply for 7(a) guaranty on loan they propose to make to an eligible small business.	Loan eligibility requirements are same as for Standard 7(a) loans, but the business should be located in an underserved market.	Borrowers in underserved markets get more choices on the types of lenders who can provide them financing if their financing needs an SBA guaranty and the technical assistance needs of the applicant are assessed by the lender.

Non 7(a) Loans

504 Loans: Fixed Asset Project Financing provided from three sources.	SBA portion up to \$5.0 million.	For the acquisition of long-term fixed-assets, refinancing long term fixed asset debt under certain conditions, and working capital on a limited basis.	Either 10 or 20 year term on the SBA/ CDC portion.	Check with local SBA District Office for current information.	Financing from 1. <i>The CDC Certified Development Company</i> 2. <i>Third Party Lenders</i> 3. <i>Applicant</i>	For profit businesses that do not exceed \$15.0 million in tangible net worth and do not have an average net income over \$5 million for the past 2 years.	Fees under 3 percent; long-term fixed rate; low down payment; full amortization; no balloons.
Micro-Loans	\$50,000 total to one small business borrower.	Furniture, fixtures, supplies, inventory, equipment, and working capital.	Shortest term possible, not to exceed 6 years.	Check with local SBA District Office for locations of locally available intermediary lenders and then check with them.	Loans through non-profit lending organizations; technical assistance also provided.	Same as 7(a) – plus loans can be made to non-profit day care businesses.	Direct loans from nonprofit intermediary lenders; Fixed-rate financing; Very small loan amounts; Technical assistance available.

7(a) Guaranty Fee Reference Chart

Gross Size of Loan	Fees	Notes
Loans of \$150,000 or less (See Note 1).....	2% of guaranteed portion, Lender is authorized to retain.....	Maturities that exceed 12 months
\$150,001 to \$700,000	3% of guaranteed portion.....	Maturities that exceed 12 months
\$700,001 to \$5,000,000 (See Note 2)	3.5% of guaranteed portion up to \$1,000,000 PLUS 3.75% of the guaranteed portion over \$1,000,000	Maturities that exceed 12 months
Short Term Loans – up to \$5 million	0.25% of the guaranteed portion	Maturities of 12 months or less

NOTE 1: The guaranty fee on a \$100,000 loan with an 85% guaranty would be 2% of \$85,000 or \$1,700, of which the lender would retain \$425.

NOTE 2: The guaranty fee on a \$2,000,000 loan with a 75% guaranty (\$1.5 million guaranteed portion) would be, 3.5% of \$1,000,000 (\$35,000) PLUS 3.75% of \$500,000 (\$18,750), for a total of \$53,750.

Building on SBA's Record Year

The SBA actively supports the wide diversity of small businesses that are driving our economy forward in 2012, from Main Street shops, to high-growth startups, and everything in between. No matter what your business, you can get help from the SBA. Whether you are a small business owner who has worked with us before or an entrepreneur who knows nothing about what the agency has to offer, there's never been a better time to link up with your local SBA.

Like the tools in this Resource Guide, the SBA's accomplishments in 2011 reflect the diversity of the small businesses we serve.

For example, in Fiscal Year 2011, the SBA put a record amount of SBA loan dollars in the hands of small business owners. The agency provided over \$30 billion in lending support to over 60,000 small businesses through its top two lending programs – 7(a) and 504. Now, SBA lending is back to where it was before the recession. That's good news for small businesses that need access to capital to grow and hire new workers.

For high-growth small businesses looking for investment capital, the Small Business Investment Company (SBIC) program had a record year, as well. SBICs are privately owned and managed investment funds that use their own capital, plus funds borrowed with an SBA guarantee, to invest in small businesses. The SBA does not invest directly into small businesses, but it provides funding to investment management firms with expertise in certain sectors or industries. "In Fiscal Year 2011, the SBA issued a record \$1.83 billion in new commitments to SBICs. SBICs provided \$2.83 billion in financing dollars to over 1,300 small businesses, helping create or retain over 60,000 jobs—all at zero cost to taxpayers."

At the same time, more small businesses are competing for and winning government contracts. Last year, the SBA's most recent "Score Card" showed that the federal government awarded 22.7% of contracts to small businesses in 2010. This is the second year of increase after four years of decline. While this is good news, the SBA will not rest until the government meets its goal of awarding 23% of contracts to small businesses. Government contracts are the oxygen that many small businesses need to survive, and the SBA is committed to helping more small businesses win more contracts in 2012.

The SBA worked hard last year to put more tools in the hands of entrepreneurs in underserved markets. For example, the Young Entrepreneurs Series visited five cities where young people are starting businesses and creating the jobs of the future. The SBA also held forums focused

on women entrepreneurs, the faith-based community, and veterans. The SBA's Council on Underserved Communities held its first meeting last summer, and the council is already developing ideas for how the SBA can expand its reach into these communities.

The Small Business Jobs Act created an independent Office of International Trade (OIT) within the SBA to support small business exporting. OIT set to work implementing the State Trade and Export Promotion (STEP) grants – also part of the Small Business Jobs Act – that gave state-based export promotion programs \$30 million to support small business exporting. For example, in Idaho, the grants will support a program to help a cluster of agricultural equipment manufacturers find international buyers. In Virginia, the money will go to help advanced manufacturers and IT companies enter the global supply chain. Meanwhile, North Carolina is using the grant money to connect firms with trade shows, trade missions, and overseas marketing opportunities and to provide translation services for small businesses that need a website in a different language. Exporting is an important way for small businesses to expand, and the SBA can help. Look for resources in this guide to learn more about how you can sell your product overseas.

Finally, the SBA also aids business owners, homeowners and other victims of natural disasters. The SBA offers long term, low interest loans to help disaster victims rebuild. Last year, the Office of Disaster Assistance supported victims of countless disasters, including Hurricane Irene. The SBA approved over 13,000 disaster loans worth nearly \$740 million. Of course, no small business owner wants to be caught unprepared when disaster strikes. The SBA can help you get your business ready for whatever comes your way.

As you can see from this article and the rest of this guide, the SBA has a wide variety of tools no matter what your business needs. Throughout this guide, you can read about how the SBA can help businesses through access to capital, opportunities in government contracting, counseling, and more. You can also find contact information, where trained professionals can walk you through getting a loan, competing for contracts, or finding a business counselor.

If you don't find what you're looking for here, there is even more information on the agency's newly redesigned website, www.SBA.gov. While you're there, check out SBA Direct, which presents a customized list of resources in your area based on information you enter about your business.

CONTRACTING

Applying for Government Contracts



The U.S. government is the largest single purchaser of goods and services in the world, buying everything from armored tanks to paper clips. Every year, the federal government awards more than \$500 billion in contracts, and a significant share of those contracts are specifically allotted to small businesses.

The Small Business Administration works with agencies to award at least 23 percent of all prime government contracts to small businesses, with specific statutory goals for small disadvantaged businesses (SDV), businesses that are women-owned (WO) or service-disabled veteran-owned (SDVOSB), or businesses that are located in historically underutilized business zones (HUBZone).

The agency ensures that small businesses have access to long-lasting development opportunities, which means working with small businesses to help them stay competitive, as well as encouraging federal agencies to award more contracts to small businesses. The SBA features outreach programs, matchmaking events, and online training opportunities; and helps agencies identify opportunities for small businesses.

HOW GOVERNMENT CONTRACTING WORKS

Sealed bidding vs. Negotiation

There are two methods the government uses to purchase goods and services, sealed bidding and negotiation. The first method, sealed bidding, involves issuing an invitation for bid by a procuring agency. Under the sealed bidding method, a contract is awarded to a responsible bidder who bid, conforming to the invitation for bids, will be most advantageous to the Government, considering only price and the price related factors included in the invitation for bid. The second method, negotiation, involves issuing a request for proposal (RFP) or request for quotation (RFQ). The business with the best proposal in terms of technical content, best value, price and other factors generally wins the contract.

Types of Contracts

Firm fixed price contracts place the full responsibility for the costs and risk of loss on the contractor. Firm fixed price contracts do not permit any adjustment on the basis of the contractor's costs during the

performance of the contract. It provides maximum incentive for the contractor to control costs and perform effectively and imposes a minimum administrative burden upon the contracting parties. This type of contract is used in all sealed bid and some negotiated procurements.

Cost reimbursement contracts provide for the payment of allowable costs incurred by the contractor, to the extent stated in the contract. The contract establishes a ceiling price, above which a contractor may not exceed without the approval of the contracting officer. Cost reimbursement contracts are used in research and development contracts.

Some contracts do not fit neatly into these two categories, such as time and material contracts (prices for hourly wages are fixed but the hours are estimated) and letter contracts (authorizes a contractor to begin work on an urgent requirement).

Small Business Set-Asides

A "set-aside" for small businesses reserves an acquisition exclusively for small business participation. There are two ways in which set-asides can be determined. First, if an acquisition of goods or services has an anticipated

dollar value of at least \$3,000 but not exceeding \$150,000, it is automatically reserved for small businesses. The acquisition will be set aside only if the contracting officer determines there are two or more responsible small businesses that are competitive in terms of market prices, quality and delivery. Second, if an acquisition of goods or services is more than \$150,000, and if it's likely offers will be obtained from at least two responsible small businesses, and if awards will be made at fair market prices, the acquisition is reserved for exclusively for small business. Reasonable expectations of small business competition may be evaluated using past acquisition history of an item or similar items.

There are several exceptions and unique rules for specific kinds of small businesses and industries. For Research and Development (R&D) small business set-asides, there must be reasonable expectation of obtaining from small businesses the best scientific and technological sources consistent with the demands of the proposed acquisition. For small business set-asides other than for construction services, any business proposing to furnish a product that it did not manufacture must furnish the product of a small business manufacturer unless the SBA has granted either a waiver or exception to this requirement. In industries where the SBA finds that there are no small business manufacturers, it may issue a waiver to the non-manufacturer rule. Waivers permit small businesses to provide any domestic firm's product.

Subcontracting

Subcontracting opportunities are a great resource for small businesses, especially to those not ready to bid as prime contractors. Experience gained from subcontracting with a federal prime contractor can better prepare businesses to bid for prime contracts.

Current regulations stipulate for contracts offering subcontracting opportunities over \$650,000 for goods and services, or \$1.5 million for construction, large business prime contractors must offer maximum practicable subcontracting opportunities to small businesses. Large business prime contractors must submit a subcontracting plan describing how they will successfully subcontract to small businesses.

To find subcontracting opportunities, a list of Federal prime solicitations are listed under the U.S. Small Business Administration Subcontracting Network (SUBNET) <http://web.sba.gov/subnet/>

search/index.cfm and www.gsa.gov/portal/content/101195 General Services Administration (GSA). Research the list of prime contractors and determine which are best suited for your business. Develop a marketing strategy, and then contact the Small Business Liaison Officer (SBLO) listed for each prime to schedule an appointment.

SBA CONTRACTING PROGRAMS HUBZONE

The Historically Underutilized Business Zones (HUBZone) program helps small businesses located in distressed urban and rural communities, gain access to federal set-aside contracts and sole source contracts, as well as a price evaluation preference in full and open contract competitions. There is a statutory requirement that HUBZone small business concerns be awarded not less than 3 percent of the total value of all prime contract awards. The HUBZone program also establishes preference for award of federal contracts to small businesses in these areas. To qualify for the program, a business (except those that are tribally-owned) must meet the following criteria:

- It must be a small business by SBA size standards
- It must be owned and controlled at least 51 percent by U.S. citizens, or a Community Development Corporation (CDC), an agricultural cooperative, or an Indian tribe
- Its principal office must be located within a "Historically Underutilized Business Zone," which includes lands considered "Indian Country" and military facilities closed by the Base Realignment and Closure Act
- At least 35 percent of its employees must reside in a HUBZone.

Existing businesses that choose to move to qualified areas are eligible to apply for certification. To fulfill the requirement that 35 percent of a HUBZone firm's employees reside in a HUBZone, employees must live in a primary residence at a place for at least 180 days, or as a currently registered voter, and with intent to live there indefinitely.

SBA is responsible for:

- Determining whether or not individual concerns are qualified HUBZone small business concerns;
- Maintaining a list of qualified HUBZone small business concerns for use by acquisition agencies in awarding contracts under the program;



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Corporations, Indian Tribes, Native Hawaiian Organizations, and Community Development Corporations can also apply to the SBA for 8(a) business development assistance.

So that approved firms can obtain training, counseling, and business development assistance, SBA designates a staff person at a local SBA District Office, geographically near the business.

SBA is responsible for:

- Determining whether a business qualifies for the 8(a) Business Development program
- Determining whether a business continues to qualify, during the nine-year term.
- Approving Mentor/Protégé agreements between 8(a) firms and large businesses.

For additional information, visit www.sba.gov/8a.

SMALL DISADVANTAGED BUSINESS

A Small Disadvantaged Business (SDB) is defined as a small business that is at least 51 percent owned and controlled by one or more individuals who are socially and economically disadvantaged.

There is a federal government-wide goal of awarding at least 5 percent of prime contracting dollars to SDBs each year. Large prime contractors must also establish a subcontracting goal for SDBs in their Subcontracting Plans.

Firms self-certify as SDB without submitting any application to SBA; however, firms approved by SBA into the 8(a) Business Development program are automatically certified as an SDB. To self-certify, firms should update their CCR profiles and update their ORCA profiles, making sure that both profiles reflect their SDB status.

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

The Service-Disabled Veteran-Owned Small Business (SDVOSB) program has a federal government-wide goal of awarding at least 3 percent of prime and subcontracting dollars to Service-Disabled Veteran-Owned Small Businesses each year. Large prime contractors must also establish a subcontracting goal for Veteran-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and SBA prior to the award of a contract.

The SDVOSB Protest is administered by SBA to ensure that only businesses owned by service-disabled veterans receive contracts reserved exclusively for them. When a business's SDVOSB self-certification is challenged, SBA determines if the business meets the status, ownership, and control requirements.

To determine your eligibility, contact your local veterans' business development officer, visit the various program websites, or contact SBA's Office of Veterans Business Development at www.sba.gov/about-offices-content/1/2985.

WOMEN-OWNED SMALL BUSINESS FEDERAL CONTRACT PROGRAM

On October 7, 2010, the SBA published a final rule effective February 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses. The Women-Owned Small Business (WOSB) Federal Contract program authorizes contracting officers to set aside certain federal contracts for eligible women-owned businesses and economically disadvantaged women-owned small businesses.

WHAT YOU SHOULD KNOW ABOUT YOUR BUSINESS

To be eligible to bid on a federal contract, you must know your business. Answer the following three questions:

1. Are you a small business?

Is your small business:

- Organized for profit?
- Located in the U.S.?
- Operated primarily within the U.S. or making a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor?
- Independently owned and operated?
- Not dominant in the field of operation in which it is bidding for government contracts?
- A sole proprietorship, partnership, corporation, or any other legal form?

If the first six criteria apply to your business, ask yourself the second important question to find out if your business meets size standard requirements.

2. What is the size standard for your business?

Size standards are used to determine whether a business is small or "other than small." Size standards vary depending upon the industry. To determine the size standard for your business, you will need a NAICS code. Every federal agency uses these codes when considering your business. To determine your NAICS code, go to www.census.gov/eos/www/naics/. Some SBA programs require their own unique size standards. To find out more about these requirements and other size standard information, go to www.sba.gov/size.

3. Do you fall under a specific certification?

Under the umbrella of "small business," SBA has outlined several specific certifications that businesses may fall under. These certifications are divided into two categories:

SBA-Certified and Self-Certified.

The SBA-Certified Programs were created to assist specific businesses in securing federal contracts and therefore can only be issued by SBA administrators. For the Self-Certified Programs, you can determine for yourself if your business meets the requirements by referring to the Federal Acquisition Regulations (FAR).

Just as Congress has given federal agencies a goal of procuring 23 percent of federal contracts from small businesses, so too must federal agencies meet specific contracting goals for other categories of small firms. These goals are:

- 23 percent of contracts from Small Businesses
- 5 percent of contracts go to Small Disadvantaged Businesses
- 5 percent go to Women-Owned Small Businesses
- 3 percent go to Service-Disabled Veteran-Owned Small Businesses
- 3 percent go to HUBZone Small Businesses

Federal agencies have a strong incentive to fulfill these contracting goals. You should apply for those SBA-Certified and Self-Certified programs for which you qualify to take advantage of contracting opportunities.

To be eligible, a firm must be at least 51 percent owned or controlled by one or more women. The women must be U.S. citizens. The firm must be “small” in its primary industry in accordance with SBA’s size standards for that industry. To be deemed “economically disadvantaged” its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the final rule. For additional information, visit www.sba.gov/content/contracting-opportunities-women-owned-small-businesses.

Large prime contractors must also establish a subcontracting goal for Woman-Owned Small Businesses in their Subcontracting Plans. These subcontracting goals are reviewed at time of proposal by both the contracting officer and SBA prior to the award of a contract.

SOUTH DAKOTA PROCUREMENT TECHNICAL ASSISTANCE CENTER (SD PTAC)

The South Dakota PTAC, an outreach program of the University of South Dakota’s School of Business, provides assistance to South Dakota businesses who wish to contract with local, state and federal government agencies. Among the ways the South Dakota PTAC can assist businesses include:

Counseling

Services — The SD PTAC will provide one-on-one counsel for business to include:

- Identifying opportunities for clients;
- Assistance with submissions of applications, etc.;
- Assistance with bid and proposal preparation;
- Post award assistance.

Education — The SD PTAC program will be to provide opportunities for South Dakota businesses to learn more about contracting with government agencies. Among the possible training topics are:

- Central Contractor Registration (CCR);
- Electronic Invoicing (Wide Area Workflow);
- Packaging (RFID/UID);
- Online Representation & Certification Application (ORCA).
- On-line resources

Subcontracting — The SD PTAC will also provide guidance to businesses in the area of subcontracting. This may include:

- Assistance to small businesses and small and disadvantaged businesses (SDB’s) to locate prime contractors who may wish to subcontract with them; and
- Assistance to large prime contractors to locate viable subcontractors

Other Assistance and Training - The South Dakota PTAC will assist businesses with problems and issues that may arise as a result of efforts to contract with government entities. This may be assistance in locating appropriate specifications and standards, finding buying histories, or even locating sources of supply. In addition to these services, the PTAC works closely with other state

agencies such as the Small Business Development Centers (SBDCs) who can provide assistance in other business-related areas. For more information call:

Kareen Dougherty
2329 N. Career Place, Ste. 106
Sioux Falls, SD 57107
605-367-5252
Kareen.Dougherty@usd.edu

Jennifer Oberg
Black Hills Business Development Center
525 University Loop, Ste. 102
Rapid City, SD 57701
joberg@tie.net

Fred Binder
1808 Summit St.
Yankton, SD 57078
605-665-4408
FredB@districtiii.org

Tony DeRungs
343 Airport Rd., Ste. 3
Pierre, SD 57501
605-773-2783
John.DeRungs@usd.edu



CONTRACTING

AWARD
WINNER

South Dakota
2011 Minority

Small Business Person of the Year
Jackie Nettleton, President
Mountain Movers Construction, Inc.
Rapid City

Mountain Movers Construction, Inc. is an 8(a) certified business and also has the distinct feature of being a successful woman-owned construction business. It is a very difficult business to “break into” as a woman as it is traditionally known as a male-dominated field. Only 2% of the construction firms in Western South Dakota are women-owned. Jackie Nettleton, President of Mountain Movers Construction, Inc., had a very difficult time starting her business and making it a success because of her gender. When soliciting estimates for supplies and bids from subcontractors to perform work on projects

that she is bidding as a general contractor, many subcontractors did not take her seriously and were unresponsive or untimely in their bid submissions. As a result of this issue, Ms. Nettleton lost the opportunity to compete for these jobs. Ms. Nettleton also contacted several of the large construction firms in her area and none showed any interest and at times she was even told they would not work with her because she was a woman. But Ms. Nettleton persisted, proved her business skills and has established a reputation for successfully completing projects and contracts. Mountain Movers Construction, Inc. has grown from one employee in 2004 to five employees in 2010 and also employs several part-time employees as needed for contracts. Sales from 2008 to 2009 had a 120% increase while sales from 2009 to 2010 had a 64% decrease. In looking at these numbers, consideration was taken in the fact that this is a construction company and the building market was greatly affected by the economy.

Jackie Nettleton does more than construction projects. She is involved in and serves on many boards such as a board member of NAWIC(National Association of Women in Construction) for 5 years, general member for 8 years, AGC (Association of General Contractors) general member for 5 years, Africa 180, an orphanage in Mozambique Africa, board member, Block Kids Judge for 5 years, Habitat for Humanity Board Member for 1 year, and PTA President for 4 years. She also is instrumental in planning workshops and has presented at these workshops sponsored by the South Dakota Women’s Business Center. She also meets with three start-up minority small businesses on a quarterly basis to help them navigate thru the business environment assisting with setting up accounting to reviewing proposals, etc.

A woman with blonde hair, wearing a pink long-sleeved cardigan, is smiling and looking towards the camera. She is standing in a clothing store with various garments hanging on racks in the background. The store has a modern, clean aesthetic with light-colored walls and wooden shelving.

**OVER FORTY PERCENT OF THE NATION'S
SMALL BUSINESSES ARE RUN BY WOMEN**

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GETTING STARTED IN CONTRACTING

Once you have identified the important information regarding your business, it is time to start the process of procuring a government contract.

1. Identify your DUNS (Data Universal Numbering System) Number

To register your business, obtain a DUNS number used to identify and track millions of businesses. You can obtain your free DUNS number when registering with the CCR (Central Contractor Registration) at www.ccr.gov or by contacting Dun & Bradstreet at www.dnb.com.

2. Identify your EIN (Employer Identification Number)

An EIN, otherwise known as a federal tax identification number, is generally required of all businesses. For more information, go to www.irs.gov.

3. Identify your NAICS (North American Industry Classification) codes

The NAICS codes are used to classify the industry a particular business occupies. You will need at least one NAICS code to complete your registration, but be sure to list as many as apply. You may also add or change NAICS codes at any time. Visit www.census.gov/eos/www/naics/ to find NAICS codes.

4. Identify your SIC (Standard Industrial Classification) codes

The SIC codes are four-digit numbers that are used to classify the industry a particular business occupies. While NAICS codes have largely replaced SIC codes, you will still need to provide your SIC code. SIC codes can be found at www.osha.gov/pls/imis/sicsearch.html.

5. Register with the CCR (Central Contractor Registration)

The CCR is an online federal government maintained database of companies wanting to do business with the federal government. Agencies search

the database for prospective vendors. The CCR is at www.ccr.gov.

After completing registration, you will be asked to enter your small business profile information through the SBA Supplemental Page. The information will be displayed in the Dynamic Small Business Search.

Creating a profile in CCR and keeping it current ensures your firm has access to federal contracting opportunities. Entering your small business profile, including your business information and key word description, allows contracting officers, prime contractors, and buyers from state and local governments to learn about your company.

6. Use ORCA (Online Representations and Certifications Application)

Prospective contractors must complete (electronically or through submission of paperwork) representations and certifications for small business size and program status as part of the process that registers the business for federal contracting opportunities. To make this process easier for everyone involved, the government developed ORCA, where generally, businesses can complete all of the paperwork online. To begin this process, first register your firm in CCR, then go to www.orca.bpn.gov.

7. Register with the GSA Schedule

The GSA (General Services Administration) Multiple Award Schedule (aka Federal Supply Schedule) is used by GSA to establish long-term, government wide contracts with commercial firms. Once these contracts are established, government agencies can order the supplies and services they need directly from the firms through the use of an online shopping tool. Becoming a GSA schedule contractor increases your opportunity for contracts across all levels

of government. Businesses interested in becoming GSA schedule contractors should review the information available at www.gsa.gov/schedules.

8. Make Sure Your Business is Financially Sound

This critical step is absolutely necessary to make sure that your business is financially prepared for the journey ahead. Even if you are able to obtain a government contract, you will not be receiving all of the money at once. It helps to have a clear plan of how your business will stage the benefits of the contract.

9. Search Federal Business Opportunities (FedBizOpps) for Contracting Opportunities

FedBizOpps, is an online service operated by the federal government that announces available business opportunities. FedBizOpps helps identify the needs of federal agencies and available contracting opportunities. To begin searching for contracting opportunities, go to www.fbo.gov.

10. Marketing Your Business

Registering your business is not enough to obtain a federal contract; you will need to market your business to attract federal agencies. Tips for good marketing are:

- Determine which federal agencies buy your product or service, and get to know them;
- Identify the contracting procedures of those agencies;
- Focus on opportunities in your niche and prioritize them.

Although not required, you may want to obtain a PSC (Product Services Code) and/or a FSC (Federal Supply Classification). These codes provide additional information about the services and products your business offers.

ADDITIONAL PROCUREMENT RESOURCES

The following federal procurement resources may also be of assistance:

- **The Certificates of Competency (CoC) program** allows a small business, which is the apparent successful offeror, to appeal a contracting officer's non-responsibility determination that it is unable to fulfill the requirements of a specific government contract. The SBA will conduct a detailed review of the firm's technical and financial capabilities to perform on the contract. If the business demonstrates the capability to perform, the SBA issues a Certificate of Competency to the contracting officer, requiring award of that contract to the small business.

- **Procurement Center Representatives (PCR) and Commercial Marketing Representatives (CMR):** PCRs work to increase the small business share of federal procurement awards. CMRs offer many services to small businesses, including counseling on how to obtain subcontracts. To find a PCR or CMR near you, go to www.sba.gov/content/procurement-center-representatives.
- **PTACs (Procurement Technical Assistance Centers):** PTACs provide assistance to businesses that want to sell products and services to federal, state, and/or local government. To find a PTAC in your state, go to www.dla.mil/SmallBusiness/Pages/ptap.aspx.

- **Department of Defense** (The DoD is the largest purchaser of goods from small businesses): www.acq.osd.mil/osbp/
- **Office of Federal Procurement Policy:** www.whitehouse.gov/omb/procurement_default
- **Acquisition Forecast:** www.acquisition.gov/comp/procurement_forecasts/index.html
- **Federal Supply Schedule (FSS):** www.gsa.gov
- **GSA Center for Acquisition Excellence:** www.gsa.gov/portal/content/103487

SBA DISASTER ASSISTANCE

Knowing the Types of Assistance Available for Recovery

The Disaster Assistance Program is SBA's largest direct loan program, and the only form of SBA assistance not limited to small businesses. SBA is responsible for providing affordable, timely and accessible financial assistance to homeowners, renters, businesses of all sizes and private, nonprofit organizations following declared disasters. By law, governmental units and agricultural enterprises are ineligible.

The SBA offers two types of disaster loans — Physical and Economic Injury Disaster Loans.

Home Physical Disaster Loans up to \$200,000 are available to eligible homeowners to repair or replace to its pre-disaster condition damaged or destroyed real estate not fully covered by insurance. Renters and homeowners alike may borrow up to \$40,000 to repair or replace clothing, furniture, cars, appliances, etc., that was damaged or destroyed in the disaster.

Business Physical Disaster Loans up to \$2 million are available to qualified businesses or private, nonprofit organizations of any size to help restore or replace damaged real estate, inventory, machinery, equipment and other business assets to its pre-disaster condition.

The SBA can also lend additional funds to homeowners and businesses to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring again.

Economic Injury Disaster Loans (EIDLs) are working capital loans available to qualified small businesses, private nonprofit organizations of all sizes and small agricultural cooperatives that suffered financial losses because of the disaster, regardless of physical damage. The SBA can loan up to \$2 million to provide the necessary working capital to help small businesses pay fixed debts, payroll, accounts payable and other bills that could have been covered had the disaster not occurred. The loan is not intended to replace lost sales or profits. The combined limit for economic injury and physical damage assistance for businesses is \$2 million.

Military Reservist Economic Injury Disaster Loans (MREIDLs) are working capital loans for small businesses adversely affected when an essential employee is called up to active duty by the National Guard or Reserves. An "essential employee" is defined as an individual (whether or not the owner of the small business) whose managerial or technical skill is critical to the successfully daily operation of the business. The loan limit is \$2 million, and the funds may be used to pay necessary operating expenses as they mature until operations return to normal after the essential employee is released from active military duty. The MREIDLs cannot be used to replace lost profits.

For all disaster loans, SBA can only approve loans to applicants having a credit history acceptable to SBA and who also show the ability to repay the loans. The loan terms are established in accordance with the borrower's repayment ability. The law gives SBA several powerful tools to make disaster loans affordable: low-interest rates (around 4 percent), long-terms (up to 30 years), and refinancing of prior liens (in some cases). As required by law, the interest rate for each loan is based on SBA's determination of whether the applicant has credit available elsewhere (the ability to borrow or use their own resources to recover after the disaster).

More information on all of SBA's disaster assistance programs, including information for military reservists, is available at www.sba.gov/disaster.

Disaster Preparedness

For small businesses, surviving a disaster doesn't begin with clearing the debris and returning to work.

With proper planning, surviving begins long before the disaster strikes—or before active-duty orders are received. Your planning should include insurance coverage, emergency power, protection of company records, fire safety, medical emergencies, taking care of your employees and continuity planning — how your business will continue during and after the emergency or disaster.

Starting is as easy as clicking on the disaster preparedness page of SBA's website at www.sba.gov/content/disaster-preparedness.

The page provides links to resources to help you put together your own emergency plan, preparedness tips, and fact sheets about SBA recovery assistance for homeowners, renters, businesses of all sizes and private, nonprofit organizations.

Additionally, to help small businesses with their preparedness planning, SBA has teamed up with Agility Recovery Solutions to offer business continuity strategies for entrepreneurs via their "PrepareMyBusiness" website. In addition to offering practical disaster preparedness tips, Agility is the co-host (with SBA) of a monthly disaster planning webinar for business owners. Previous webinar topics have included discussions on crisis communications, testing your recovery plan, and using social media to enhance business recovery. Visit www.preparemybusiness.org to get the schedule for future webinars, view archived webinars, and for more disaster planning tips.

As small businesses are leading America's economic recovery, many of them are investing time and money into their plans to grow and create jobs. Developing a strong disaster preparedness plan should be a critical and integral piece of those efforts. Planning for a disaster is the best way of limiting its effects.

Additional Resources

The SBA has partnered with the American Red Cross to increase awareness in the business community about the Red Cross Ready Rating™ program. Ready Rating™ is a free, self-paced, web-based membership program that helps a business measure its ability to deal with emergencies, and gives customized feedback on how to improve those efforts. Visit www.readyrating.org.

Additional information on developing an emergency plan is available at the federal government's preparedness website www.ready.gov.

The Institute for Business and Home Safety (www.disastersafety.org) has useful tips on protecting your home or business.

ADVOCACY AND OMBUDSMAN

Watching out for small business interests



OFFICE OF ADVOCACY

The SBA's Office of Advocacy, the "small business watchdog" of the government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, the President and federal appellate courts as friends of the court. Advocacy compiles and interprets statistics on small business and is the primary entity within the federal government to disseminate small business data.

Headed by the Chief Counsel for Advocacy, the office also funds outside research of small business issues and produces numerous publications to inform policy makers about the important role of small business in the economy and the impact of government policies on small business. In addition, the office monitors federal agency compliance with the Regulatory Flexibility Act – the law that requires agencies to analyze the impact of their proposed regulations on small entities (including small businesses, small governmental jurisdictions and small

nonprofit organizations), and consider regulatory alternatives that minimize the economic burden on small entities.

Advocacy's mission is enhanced by a team of regional advocates, located in the SBA's 10 regions. They are Advocacy's direct link to small business owners, state and local government entities, and organizations that support the interests of small entities. The regional advocates help identify regulatory concerns of small business by monitoring the impact of federal and state policies at the grassroots level.

Learn more about the Office of Advocacy at www.sba.gov/advocacy.

OFFICE OF THE NATIONAL OMBUDSMAN

If excessive fines, penalties or unfair regulatory enforcement by federal agencies are problems for your small business, you have a voice in Washington, D.C., through the SBA's Office of the National Ombudsman.

The Ombudsman receives comments regarding federal regulatory enforcement from small business

owners, nonprofit organizations and small government entities. Comments are forwarded to federal agencies for review, and in some cases fines may be lowered or eliminated and decisions changed in favor of the small business owners. Each year the National Ombudsman files a report with the U.S. Congress on the responsiveness of federal agencies regarding their actions of regulatory and compliance enforcement on small businesses.

To request help, send the National Ombudsman a complete Federal Agency Comment Form. You may do this online at www.sba.gov/ombudsman; by fax at 202-481-5719; or by mail at 409 Third Street S.W., Mail Code 2120, Washington, DC 20416.

The Ombudsman also coordinates 10 Regional Regulatory Fairness Boards which meet regularly to receive comments about federal regulations affecting small businesses.

Learn more about the National Ombudsman at www.sba.gov/ombudsman or call 888-REG-FAIR.

ADDITIONAL RESOURCES

Taking care of start up logistics



Even if you are running a small home-based business, you will have to comply with many of the local, state, and federal regulations. Avoid the temptation to ignore regulatory details. Doing so may avert some red tape in the short term, but could be an obstacle as your business grows. Taking the time to research the applicable regulations is as important as knowing your market. Bear in mind that regulations vary by industry. If you're in the food-service business, for example, you will have to deal with the health department. If you use chemical solvents, you will have environmental compliances to meet. Carefully investigate the regulations that affect your industry. Being out of compliance could leave you unprotected legally, lead to expensive penalties and jeopardize your business.

BUSINESS LICENSES

There are many types of licenses, both state and local as well as professional. Depending on what you do and where you plan to operate, your business may be required to have various state and/or municipal licenses, certificates or permits.

Licenses are typically administered by a variety of state and local departments. Consult your state or local government for assistance.

FICTITIOUS BUSINESS NAME

Registering your business name, after doing a search to make sure that it is not already in use, protects you from others who might want to use the same name. For more information, contact the county clerk's office in the county where your business is based. If you are a corporation, you'll need to check with the state.

BUSINESS INSURANCE

Like home insurance, business insurance protects your business against fire, theft and other losses. Contact your insurance agent or broker. It is prudent for any business to purchase a number of basic types of insurance. Some types of coverage are required by law, other simply make good business sense. The types of insurance listed below are among the most commonly used and are merely a starting point for evaluating the needs of your business.

Liability Insurance – Businesses may incur various forms of liability in conducting their normal activities. One of the most common types is product liability, which may be incurred when a customer suffers harm from using the business product. There are many other types of liability, which are frequently related to specific industries. Liability law is constantly changing. An analysis of your liability insurance needs by

a competent professional is vital in determining an adequate and appropriate level of protection for your business.

Property – There are many different types of property insurance and levels of coverage available. It is important to determine the property you need to insure for the continuation of your business and the level of insurance you need to replace or rebuild. You must also understand the terms of the insurance, including any limitations or waivers of coverage.

Business Interruption – While property insurance may pay enough to replace damaged or destroyed equipment or buildings, how will you pay costs such as taxes, utilities and other continuing expenses during the period between when the damage occurs and when the property is replaced? Business Interruption (or "business income") insurance can provide sufficient funds to pay your fixed expenses during a period of time when your business is not operational.

"Key Man" – If you (and/or any other individual) are so critical to the operation of your business that it cannot continue in the event of your illness or death, you should consider "key man" insurance. This type of policy is frequently required by banks or government loan programs. It also can be used to provide continuity in operations during a period of ownership transition caused by the death, incapacitation or absence due to a Title 10 military activation of an owner or other "key" employee.

Automobile – It is obvious that a vehicle owned by your business should be insured for both liability and replacement purposes. What is less obvious is that you may need special insurance (called "non-owned automobile coverage") if you use your personal vehicle on company business. This policy covers the business' liability for any damage which may result for such usage.

Officer and Director – Under most state laws, officers and directors of a corporation may become personally liable for their actions on behalf of the company. This type of policy covers this liability.

Home Office – If you are establishing an office in your home, it is a good idea to contact your homeowners' insurance company to

update your policy to include coverage for office equipment. This coverage is not automatically included in a standard homeowner's policy.

TAXES

Taxes are an important and complex aspect of owning and operating a successful business. Your accountant, payroll person, or tax advisor may be very knowledgeable, but there are still many facets of tax law that you should know. The Internal Revenue Service is a great source for tax information. Small Business/Self-Employed Tax Center: www.irs.gov/businesses/small/index.html.

When you are running a business, you don't need to be a tax expert. However, you do need some tax basics. IRS Small Business/Self-Employed Tax Center gives you the information you need to stay tax compliant so your business can thrive.

Small Business Forms and Publications www.irs.gov/businesses/small/article/0,,id=99200,00.html

Download multiple small business and self-employed forms and publications.

FEDERAL PAYROLL TAX (EIN NUMBERS)

An Employer Identification Number (EIN), also known as a Federal Employer Identification Number (FEIN), is used to identify a business entity. Generally, businesses need an EIN to pay federal withholding tax.

You may apply for an EIN in various ways, one of which is to apply online. www.irs.gov/businesses/small/article/0,,id=102767,00.html. This is a free service offered by the Internal Revenue Service.

Call 800-829-1040 if you have questions. You must check with your state to determine if you need a state number or charter.

FEDERAL SELF-EMPLOYMENT TAX

Every employee must pay Social Security and Medicare coverage. If you are self-employed, your contributions are made through the self-employment tax.

The IRS has publications, counselors and workshops available to help you sort it out. For more information, contact the IRS at 800-829-1040 or www.irs.gov.

SALES TAX EXEMPTION CERTIFICATE

If you plan to sell products, you will need a Sales Tax Exemption Certificate. It allows you to purchase inventory, or materials, which will become part of the product you sell, from suppliers without paying taxes. It requires you to charge sales tax to your customers, which you are responsible for remitting to the state. You will have to pay penalties if it is found that you should have been taxing your products and now owe back taxes to the state. For information on sales tax issues, contact your state's government.

FEDERAL INCOME TAX

Like the state income tax, the method of paying federal income taxes depends upon your legal form of business.

Sole Proprietorship: You must file IRS Federal Form Schedule C along with your personal Federal Income Tax return (Form 1040) and any other applicable forms pertaining to gains or losses in your business activity.

Partnership: You must file a Federal Partnership return (Form 1065). This is merely informational to show gross and net earnings of profit and loss. Also, each partner must report his share of partnership earnings on his individual Form 1040 based on the information from the K-1 filed with the Form 1065.

Corporation: You must file a Federal Corporation Income Tax return (Form 1120). You will also be required to report your earnings from the corporation including salary and other income such as dividends on your personal federal income tax return (Form 1040).

FEDERAL PAYROLL TAX

Federal Withholding Tax: Any business employing a person must register with the IRS and acquire an EIN and pay federal withholding tax at least quarterly. File Form SS-4 with the IRS to obtain your number and required tax forms. Call 800-829-3676 or 800-829-1040 if you have questions.

Federal Withholding

U.S. Internal Revenue Service
800-829-1040
www.irs.gov

EMPLOYEE CONSIDERATIONS Taxes

If you have any employees, including officers of a corporation but not the sole proprietor or partners, you must make

periodic payments towards, and/or file quarterly reports about payroll taxes and other mandatory deductions. You may contact these government agencies for information, assistance and forms.

Employers need to obtain an IRS Employer Identification Number if they do not already have one. See the EIN section above.

See the IRS business information above for links to on-line learning about being an employer in the Virtual Small Business Workshop, Publication 1066C.

IRS Requirements

- Federal Income tax withholding
- Social Security tax withholding and matching
- Medicare tax withholding and matching
 - IRS Form W4; 941, 943 (agricultural), or 944; and EFTPS electronic deposits
 - IRS Publication 15, 51 (agricultural), 15A (supplemental), 15B (fringe benefits)
- Federal Unemployment Tax
- IRS Form 940

IRS WEB PRODUCTS FOR SMALL BUSINESSES

For the most timely and up-to-date tax information, go to www.irs.gov/businesses/small/index.html.

VIRTUAL SMALL BUSINESS WORKSHOP

www.tax.gov/virtualworkshop/

The Virtual Small Business Tax Workshop is the first of a series of video products designed exclusively for small business taxpayers. This workshop helps business owners understand federal tax obligations. The Virtual Small Business Workshop is available on CD www.irs.gov/businesses/small/article/0,,id=101169,00.html and online www.irsvideos.gov/virtualworkshop/ if you are unable to attend a workshop in person. Small business workshops are designed to help the small business owner understand and fulfill their federal tax responsibilities. Workshops are sponsored and presented by IRS partners who are federal tax specialists.

Workshop topics vary from a general overview of taxes to more specific topics such as recordkeeping and retirement plans. Although most are free, some workshops have fees associated with them. Fees for a workshop are charged by the sponsoring organization, not the IRS.

The IRS's Virtual Small Business Tax Workshop is an interactive

resource to help small business owners learn about their federal tax rights and responsibilities. This educational product, available online and on CD consists of nine stand-alone lessons that can be selected and viewed in any sequence. A bookmark feature makes it possible to leave and return to a specific point within the lesson. Users also have access to a list of useful online references that enhance the learning experience by allowing them to view references and the video lessons simultaneously.

Tax Calendar for Small Businesses and Self-Employed (Publication 1518) www.irs.gov/businesses/small/article/0,,id=176080,00.html

The Tax Calendar for Small Businesses and Self-Employed contains useful information on general business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, common tax filing dates, and federal legal holidays.

SOCIAL SECURITY CARDS

All employees must have a social security card. It must be signed by its owner, and you should always ask to see and personally record the social security number. Failure to do so may cause your employee to lose benefits and considerable trouble for yourself in back tracking to uncover the error.

Each payday, your employees must receive a statement from you telling them what deductions were made and how many dollars were taken out for each legal purpose. This can be presented in a variety of ways, including on the check as a detachable portion or in the form of an envelope with the items printed and spaces for dollar deductions to be filled in.

Social Security Administration

www.socialsecurity.gov/employer
800-772-1213

Annual wage reporting

- IRS Form W2 and W3

Social Security's Business Services Online provides free electronic services online at www.socialsecurity.gov/employer/.

Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online; and
- verify Social Security Numbers through the Social Security Number Verification Service, used for all employees prior to preparing and submitting Forms W-2.

Social Security's Business Services Online

The Social Security Administration now provides free electronic services online at www.socialsecurity.gov/employer/. Once registered for Business Services Online, business owners or their authorized representative can:

- file W-2s online; and
- verify Social Security Numbers through the Social Security Number Verification Service, used for all employees prior to preparing and submitting Forms W-2.

U.S. Department of Labor

www.dol.gov/compliance/topics/posters.htm

Required postings (free posters also available at SD Department of Labor local offices <http://dol.sd.gov/employerserv/postingrequirements.aspx>

Hiring Independent/Contractors

Businesses that pay for services from other than employees may need to report the payment on Forms 1099-MISC with Form 1096. Reporting requirements to corporations will be expanding due to 2010 legislation. See IRS Publications 15A and 1779 for more information on independent contractors and 1099 instructions for more information on reporting. Reporting can be done on paper or via the IRS FIRE system. <https://fire.irs.gov/firev1/>

Health Insurance

Compare plans in your area at www.healthcare.gov.

Employee Insurance

If you hire employees you may be required to provide unemployment or workers' compensation insurance.

STATE REQUIREMENTS

State Tax License

If your business will have a location in South Dakota, or will sell, rent or lease any product or service in South Dakota, a state Tax License must be obtained for each business location from the:

South Dakota Department of Revenue

Anderson Bldg.
445 E. Capitol Ave.
Pierre, SD 57501
800-829-9188
or
In Aberdeen: 605-626-2218
Mitchell 605-995-8080
Pierre 605-773-3311
Rapid City 605-394-2332
Sioux Falls 605-367-5800
Watertown 605-882-5188
Yankton 605-668-2939
Visit the Department of Revenue on the Internet at: www.state.sd.us/drr2/businesstax.htm

State Employer Requirements

Depending on the state in which you are hiring, also contact the state about

- State income tax withholding
- State Unemployment Tax
SD: <http://www.sdjobs.org>;
<http://dol.sd.gov/>
- State workers' compensation
SD: <http://dol.sd.gov/workerscomp/default.aspx>
- New Hire reporting
national information:
www.acf.hhs.gov/programs/cse/newhire/employer/private/newhire.htm
SD: <http://dol.sd.gov/ui/newhirereporting.aspx>
888-827-6078; 605-626-2942
South Dakota state general web site:
www.state.sd.us/drr2
State workshops schedule
<https://apps.sd.gov/applications/RV23Education/classes.aspx>

Other Considerations

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. OSHA outlines specific health and safety standards adopted by the U.S. Department of Labor. Most businesses must comply with Federal law regarding payment of wages and child labor protections. These laws require payment of minimum wage and overtime unless an employee is specifically exempt.

The law also requires certain records to be kept and restricts the work of minor under the age of eighteen. Assistance and publications are available from the Wage and Hour Division of the U.S. Department of Labor. For more information, call 605-330-4241 or visit the web at www.dol.gov/elaws.

Business Posters Needed:

- Federal Five in One Labor Laws - available from local job service office or call 800-999-9111. Department of Labor posters area are also available at www.dol.gov/elaws/posters.htm
- State Unemployment Insurance Notice to Employees - available from Department of Labor in Aberdeen at 605-626-2312.
- Safety Posters - available from workmen's compensation carrier.

Assistance on South Dakota State Laws is available at the:

South Dakota Department of Labor

Kneip Bldg.
700 Governor's Dr.
Pierre, SD 57501
605-773-3101
www.state.sd.us/dol

Legal Assistance

Many business owners consider legal services only when their firms are in trouble. However, costly and time-consuming legal problems can be averted by retaining a competent attorney who can advise on such business issues as: choosing the type of business organization that best suits your needs; advising you as to local, state and federal regulations that affect your business, obtaining licenses and permits; preparing or inspecting contracts; assisting in obtaining financing; and providing advice on many business problems. For statewide lawyer referral contact the South Dakota Lawyer Referral Service at 800-952-2333, a public service of the State Bar of South Dakota.

WORKPLACE DISABILITY PROGRAMS

Americans with Disabilities Act (ADA): For assistance with the ADA, call 800-669-3362 or visit www.ada.gov.

U.S. CITIZENSHIP AND IMMIGRATION SERVICES

The Federal Immigration Reform and Control Act of 1986 requires employers to verify employment eligibility of new employees. The law obligates an employer to process Employment Eligibility Verification Form I-9. The U.S. Citizenship and Immigration Services Office of Business Liaison offers a selection of information bulletins and live assistance through the Employer Hotline. For forms call 800-870-3676, for the Employer Hotline call 800-357-2099.

Immigration and Customs Enforcement (ICE)

800-870-3676 or 800-357-2099

www.uscis.gov

• Form I-9

E-Verify: Employment Eligibility Verification

E-Verify, operated by the Department of Homeland Security in partnership with the Social Security Administration, is the best--and quickest--way for employers to determine the employment eligibility of new hires. It is a safe, simple, and secure Internet-based system that electronically verifies the Social Security number and employment eligibility information reported on Form I-9. E-Verify is voluntary in most states and there is no charge to use it.

If you are an employer or employee and would like more information about the E-Verify program, please visit www.dhs.gov/E-Verify or contact our Customer Support staff: 1-888-464-4218 Monday – Friday 8 am – 5 pm. E-mail: e-verify@dhs.gov

SAFETY AND HEALTH REGULATIONS

All businesses with employees are required to comply with state and federal regulations regarding the protection of employees. The Occupational Safety and Health Administration outlines specific health and safety standards adopted by the U.S. Department of Labor.

Federal Occupational Safety & Health Administration

Department of Labor
820 First St. N.E.
Washington, DC 20020
202-693-5000
www.dol.gov
www.osha.gov

If food products are to be prepared and served, an inspection must be completed for a food license. For more information, contact the:

State Department of Health

Health Bldg.
600 E. Capitol Ave.
Pierre, SD 57501
605-773-3361
Check for local license requirements.
www.state.sd.us/doh

Department of Environmental & Natural Resources

Foss Bldg.
523 E. Capitol Ave.
Pierre, SD 57501
605-773-3151
www.state.sd.us/denr

BUILDING CODES, PERMITS AND ZONING

It is important to consider zoning regulations when choosing a site for your business. You may not be permitted to conduct business out of your home or engage in industrial activity in a retail district. Contact the business license office in the city or town where the business is located.

BAR CODING

Many stores require bar coding on packaged products. Many industrial and manufacturing companies use bar coding to identify items they receive and ship. There are several companies that can assist businesses with bar-coding needs. You may want to talk with an SBDC, SCORE or WBC counselor for more information.

Federal Registration of Trademarks and Copyrights

Trademarks or service marks are words, phrases, symbols, designs or combinations thereof that identify and distinguish the source of goods. Trademarks may be registered at both the state and federal level. To register a federal trademark, contact:

U.S. Patent and Trademark Office:

P.O. Box 1450
Alexandria, VA 22313-1450
800-786-9199
www.uspto.gov/

Trademark Information Hotline
703-308-9000



STATE REGISTRATION OF A TRADEMARK

Trademarks and service marks may be registered in a state.

Caution: Federally registered trademarks may conflict with and supersede state registered business and product names.

Patents

A patent is the grant of a property right to the inventor by the U.S. Patent and Trademark Office. It provides the owner with the right to exclude others from making, using, offering for sale or selling the patented item in the United States.

Additional information is provided in the publications, General Information Concerning Patents and other

publications distributed through the U.S. Patent and Trademark Office. For more information, contact the:

U.S. Patent and Trademark Office
800-786-9199 • www.uspto.gov

Copyrights

Copyrights protect original works of authorship including literary, dramatic, musical and artistic, and certain other intellectual works. Copyrights do not protect facts, ideas and systems, although it may protect the way these things are expressed. For general information contact:

U.S. Copyright Office

U.S. Library of Congress
James Madison Memorial Building
Washington, DC 20559
202-707-9100 - Order Line
202-707-3000 - Information Line
www.copyright.gov



BUSINESS ORGANIZATION: Choosing Your Business Structure

There are many forms of legal structure you may choose for your business. Each legal structure offers organizational options with different tax and liability issues. We suggest you research each legal structure thoroughly and consult a tax accountant and/or attorney prior to making your decision.

The most common organizational structures are sole proprietorships, general and limited partnerships, "C" and "S" corporations and limited liability companies.

Each structure offers unique tax and liability benefits. If you're uncertain which business format is right for you, you may want to discuss options with a business counselor or attorney.

Sole Proprietorship

One person operating a business as an individual is a sole proprietorship. It's the most common form of business organization. Profits are taxed as income to the owner personally. The personal tax rate is usually lower than the corporate tax rate. The owner has complete control of the business, but faces unlimited liability for its debts. There is very little government regulation or reporting required with this business structure.

General Partnership

A partnership exists when two or more persons join together in the operation and management of a business. Partnerships are subject

to relatively little regulation and are fairly easy to establish. A formal partnership agreement is recommended to address potential conflicts such as: who will be responsible for performing each task; what, if any, consultation is needed between partners before major decisions, and what happens when a partner dies. Under a general partnership each partner is liable for all debts of the business. Profits are taxed as income to the partners based on their ownership percentage.

Limited Partnership

Like a general partnership, a limited partnership is established by an agreement between two or more persons. However, there are two types of partners.

- A general partner has greater control in some aspects of the partnership. For example, only a general partner can decide to dissolve the partnership. General partners have no limits on the dividends they can receive from profit so they incur unlimited liability.
- Limited partners can only receive a share of profits based on the proportional amount on their investment, and liability is similarly limited in proportion to their investment.

"C" Corporation

A "C" corporation is a legal entity created under state law by the filing of articles of incorporation. A corporation is a separate entity having its own rights, privileges and liabilities, apart

from those of the individual(s) forming the corporation. It's the most complex form of business organization and is comprised of shareholders, directors and officers. Since the corporation is a separate legal entity in its own right it can own assets, borrow money and perform business functions without directly involving the owners. Corporations are subject to more government regulation and offer the owners the advantage of limited liability, but not total protection from lawsuits.

Subchapter "S" Corporation

Subchapter "S" references a special part of the Internal Revenue Code that permits a corporation to be taxed as a partnership or sole proprietorship, with profits taxed at the individual, rather than the corporate rate. A business must meet certain requirements for Subchapter "S" status. Contact the IRS for more information.

LLCs and LLPs

The limited liability company is a relatively new business form. It combines selected corporate and partnership characteristics while still maintaining status as a legal entity distinct from its owners. As a separate entity it can acquire assets, incur liabilities and conduct business. It limits liability for the owners. The limited liability partnership is similar to the LLC, but it is for professional organizations.

PARTNER'S PAGE

BEADLE AND SPINK ENTERPRISE COMMUNITY (BASEC)

BASEC is a nonprofit community development organization that works to develop and improve business, housing, agricultural, and leadership in Cavour, Hitchcock, Iroquois and Yale, and in Beadle County Doland, Frankfort and Tulare in Spink County. BASEC has several loan programs that address these areas as well as provides technical assistance in a variety of ways to all of these rural communities. For more information contact:

Bob Hull
P.O. Box 68
Yale, SD 57386
605-599-2991
www.basec.org
basec@santel.net

BUREAU OF INDIAN AFFAIRS LOAN GUARANTY PROGRAM

The Bureau of Indian Affairs Loan Guaranty Program was established by the Indian Financing Act of 1974 to stimulate and increase American Indian and Native Alaskan entrepreneurship and employment through establishment, acquisition or expansion of Indian- or Native Alaskan-owned economic enterprises. Complete guidelines and applicable forms can be obtained by contacting:

Great Plains Regional Office
Federal Bldg.
115 4th Ave. S.E.
Aberdeen, SD 57401-4382
605-226-7381

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

The Governor's Office of Economic Development is committed to helping companies create quality job opportunities for South Dakotans. Working with its economic development partners throughout the state, the GOED concentrates its efforts on helping new and expanding firms.

The GOED has a long-standing history of offering competitive financial packages to companies creating jobs in South Dakota. The state's REDI (Revolving Economic Development & Initiative) Fund continues to be the leading finance program, but the state also has finance programs designed for small businesses, entrepreneurs, value-added agricultural projects, workforce development, tourism projects and high risk projects. The goal of the GOED is to keep its finance programs competitive and user friendly.

The GOED partnered with other organizations to re-implement the state's Manufacturing Extension Partnership and the Inventor's Congress. The state is also hosting a new Made in South Dakota website www.madeinsouthdakota.com to help promote South Dakota producers and artists.

For more information on the Governor's Office of Economic Development, check us out at www.sdgreatprofits.com or contact: Chris Maxwell
711 E. Wells Ave.
Pierre, SD 57501-3369
605-773-3301 or 800-872-6190
The Governor's Office of Economic Development is an office of the Department of Tourism and State Development.

HOUSING AND URBAN DEVELOPMENT (HUD)

Mission – To create a decent, safe and sanitary home and suitable living environment for every American. HUD does this by creating opportunities for homeownership, helping low-income persons with housing assistance, enforcing fair housing laws, helping the homeless and helping to meet economic needs in neighborhoods and communities. HUD Programs:

FHA single family mortgage insurance programs help families become homeowners by lowering the cost of their mortgage loans. Single family loans including buildings up to four units. HUD also funds housing counseling agencies to help homebuyers learn about the buying process.

HUD multifamily mortgage insurance programs (buildings of five or more units) assist private industry in the construction or rehabilitation of rental housing for low income families. HUD also funds local public housing authorities to provide housing assistance. Families pay about 30 percent of their adjusted monthly income for rent, while HUD subsidizes the rest of the monthly rent payment. HUD annually funds cities and the state with Community Development funds to help meet local needs such as water and sewer systems, community centers, parks and other economic development projects. For more information, contact:

Sioux Falls HUD Office
Roger Jacobs
4301 W. 57th St., Ste. 101
Sioux Falls, SD 57108
605-330-4223
SD_Webmanager@hud.gov
www.hud.gov/southdakota

INTERNAL REVENUE SERVICE

The Internal Revenue Service has a great wealth of information tailored for small businesses to help you meet your federal tax obligations.

Online, you can access information at www.irs.gov, and then click on the "Business" tab, then the "Small Business/Self Employed" tab. There you will find a link to subscribe to the free e-newsletter "E News for Small Businesses", an A-Z Index for Business, on-line educational products, a link to small business events in your area, and much more.

There is also a Spanish section, El IRS en Español and the IRS has a translation service for answering questions in other languages.

The following items can be found on-line at www.irs.gov, or by calling 800-829-3676:

- Publication 4591, Small Business Federal Tax Responsibilities, is a tri-fold with a list of resources.
- Publication 583, Starting a Business and Keeping Records explains decisions businesses need to make when they begin.
- Publication 1066C, A Virtual Small Business Tax Workshop CD, contains lessons in English, with subtitles in English, Spanish and Mandarin Chinese.
- Publication 1518, IRS Tax Calendar, has pertinent tax due dates, and each page highlights a different issue for small businesses.

IRS online www.irs.gov
(Business tab; Small Business/self-employed tab)

Questions:

Small Business	800-829-4933
Forms orders	800-829-3676
General tax questions	800-829-1040
TDD for Hearing Impaired	800-829-4059
Teletax (automated)	800-829-4477
Employee plans	877-829-5500
Taxpayer Advocate	877-777-4778
Electronic payments	800-555-4477

www.eftps.com

FIRE File 1099s electronically
<https://fire.irs.gov/firev1r/> 866-455-7438
Per diem rates for travel www.gsa.gov

OMAHA DISTRICT, UNITED STATES ARMY CORPS OF ENGINEERS (USACE)

The Omaha District's mission is to provide quality service as the Federal Engineer. The district covers all or parts of 10 states (including South Dakota) covering 700,000 square miles. Its mission is as vast as its geographical area of operations - the district's three major missions include Civil Works, Military Construction and Environmental Remediation. It also

responds capably in the disaster response arena and has carried out numerous disaster missions following floods, hurricanes, blizzards, tornadoes, earthquakes and terrorist attacks.

We provide business opportunities and counsel members of the Small Business Community for success while establishing a broad base of capable suppliers and service providers to support the Army.

We encourage you to visit our website at: www.nwo.usace.army.mil/html/Q_A/Q_A.htm. This website provides the basic information to help you locate and identify business opportunities, both within the Omaha District as well as the rest of the Federal marketplace. Using a "frequently asked questions" format, along with imbedded links to other sources of information, the site provides easy access to the basic requirements and information needed to locate and identify business opportunities. Those opportunities may lead members of the Small Business Community to becoming a successful Omaha District service provider or supplier. You can contact the Corps at: 1616 Capital Ave.
Omaha, NE 68102
888-835-5971

PRAIRIE FAMILY BUSINESS ASSOCIATION

The Prairie Family Business Association is an outreach program of the University Of South Dakota Beacom School Of Business. The organization's mission is to build relationships and offer quality educational programs that promote successful businesses and healthy families in South Dakota and the surrounding area.

Implementation of this mission is through a continuous series of life-long educational programs. The cornerstone of these events is the world-class annual Prairie Family Business Conference. Frequent local educational opportunities supplement the Conference. An integral part of all educational programs is networking



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opportunities where family businesses have the opportunity to learn from each other.

Enhancing the long term survival and success of family businesses in the region is critical when studies show that an estimated 90% of business enterprises are family owned and operated. Addressing issues of ownership, management succession, and family relational and communication matters provides preventative tools to keep the family business healthy. For more information contact:

Beth Adamson
4801 N. Career Ave., Ste. 140
Sioux Falls, SD 57117
605-782-3225
www.fambus.org

USDA RURAL DEVELOPMENT

The United States Department of Agriculture Rural Development (RD) is composed of the Rural Business-Cooperative Service (RSB), the Rural Housing Service (RHS), and the Rural Utilities Service (RUS). Rural Development offers rural communities financial and technical resources. Rural Development: encourages the establishment and growth of rural businesses and cooperatives to provide good jobs and diverse markets; provides access to technical assistance, capital and credit for quality housing, as well as for modern, essential community facilities and fire fighting equipment; finances the development of electric, telephone, telecommunication, water and wastewater infrastructures to create modern, affordable utilities; and provides information, technical assistance, and, when appropriate, leadership to rural areas to design and carry their own rural development initiatives through community capacity building.

For more information, contact:
South Dakota USDA Rural Development
Elsie Meeks, State Director
200 4th St. S.W.
Federal Bldg., Rm. 210
Huron, SD 57350-2477
605-353-1100
www.rurdev.usda.gov

DAKOTA RESOURCES

Dakota Resources Economic and Leadership Development is a statewide not-for-profit, Intermediary to the development industry in South Dakota. Our purpose is to stimulate financial and human investment in South Dakota communities that invest in themselves.

Financial Products

Dakota Resources primary financial product is the Capital Investment Fund (CIF): A \$10 million loan fund to development corporations and revolving loan funds. The CIF provides reasonably priced capital to development organizations that is flexible to support local development goals and initiatives.



In addition to the CIF, Dakota Resources has significant capital that leverages outside resources and creates opportunity. Participants in the SD Community Capital Fund leverage local resources through access to national capital markets on a 10:1 basis.

Building Human Capacity
LeadershipPlentySD trains individuals in personal leadership skills in the context of community. In this nine session, program participants learn things like how to conduct a good meeting, how to build strategic partnership and how to deal with conflict in organizations and communities.

Creating a Value Added Community brings a group of volunteers together to assess the assets of the community and develop a strategic plan for realizing a shared vision of the future. The program is based in research conducted by the participants and supported through implementation.

Growing Resources and Opportunities from Within (GROW) is strategic planning for development organizations and chambers of commerce. Grounded in solid economic and community development principles, organizations clarify their goals and create an action plan for implementation.

Dakota Rising is designed to spur a renaissance of South Dakota's rural economy through strategic partnerships with local communities to invigorate rural entrepreneurs and their enterprises. Sites commit to creating a culture to support entrepreneurship through specific strategies and activities. Each Site champions applications for the Dakota Rising Rural Entrepreneur Fellowship. Fellows 1) receive a \$10,000 grant for professional and

business development; 2) are paired with business mentors and a coach, and 3) engage in a Fellow's cohort for support and accountability. For more information contact:

dakota resources Economic and Leadership Development
25795 475th Ave., Ste. 1
Renner, SD 57055
605-978-2804
www.dakotaresources.org

UNITED STATES DEPARTMENT OF VETERANS AFFAIRS (VA)

Mission: To care for him who shall have born the battle and for his widow and his orphan (Abraham Lincoln).

VA Programs - The Sioux Falls VA Medical Center is part of the VA Midwest Health Care Network, which includes facilities in Minnesota, North Dakota, Iowa, Nebraska, and South Dakota. The medical center is a teaching medical center providing a full range of patient care services with state-of-the-art technology, as well as education and research. Healthcare benefits are provided for eligible veterans in eastern South Dakota, northwestern Iowa, and southwestern Minnesota.

The Sioux Falls branch of the Dakotas Regional Office provides veterans' benefits services for South Dakota veterans including disability and survivors' benefits, pension, death benefits, accrued benefits, and entitlement to ancillary benefits (vocational rehabilitation and education). For more information, contact:
Sioux Falls VA Medical Center
2501 W. 22nd St./P.O. Box 5046
Sioux Falls, SD 57105
605-336-3230 or 800-316-8387
www.vv.gov

VA Dakotas Regional Office
2501 W. 22nd St./P.O. Box 5046
Sioux Falls, SD 57105
605-336-3230 or 800-316-8387

VA Black Hills Health Care Systems
Fort Meade Campus
113 Comanche Rd.
Fort Meade, SD 57741
605-347-2511 or 800-743-1070

Hot Springs Campus
500 N. 5th St.
Hot Springs, SD 57747
605-745-2000 or 800-764-5370

U.S. CUSTOMS & BORDER PROTECTION – PORT #3502 – SIOUX FALLS, SOUTH DAKOTA

As one of our nation's youngest Ports, it was established by the U.S. Congress and approved by the U.S. Department of Treasury on December 1st, 1995. Its two full-time officers recognize the need of today's market place as our region's importers can "pre-file" while their freight is in transit and upon clearance it can be delivered directly to them when no inspections are required.

Local as well as regional importers have begun to take advantage of the many benefits that are offered by clearing through our Port i.e. local control, personalized service, reliable on-time deliveries, congestion-free access, documents are processed fast and it can usually save importers time and money. Inspections, if necessary, are conducted on a timely basis at its Container Exam Station and Foreign Trade Zone, any U.S. Customs bonded carrier's terminal and at the importer's site within the Port's limits on a case by case basis. U.S. Customs bonded trucking firms provide over-night service to Sioux Falls from Minneapolis, Omaha and Chicago.

Due to its speed, efficiency and well developed infrastructure the Sioux Falls U.S. Customs Port of Entry continues to grow. Our Port also eliminates couriership fees by accepting faxed readable copies.



OTHER ASSISTANCE

OTHER SOURCES OF ASSISTANCE

Other Agencies

INS-Immigration & Nat Serv.
www.uscis.gov

INS I9 form 800-870-3676

INS questions 800-357-2099

Multiple agencies-My Money
www.mymoney.gov 1-888-MYMONEY

Social Security Administration
www.socialsecurity.gov/employer

Social Security - W2 e-filing carolyn.
sykes@ssa.gov 303-844-2364

Ask the Experts 800-772-6270

U.S.Dept of Labor posters:
SD career centers
or
www.dol.gov/osbp/sbrefa/poster/matrix.htm

U.S.Government www.firstgov.gov

U.S Government www.fedworld.gov

U.S. Government business link
www.business.gov

South Dakota Government
www.state.sd.us

SD-DORR (Dept. of Rev & Reg)
www.state.sd.us/drr2/revenue.html

SD-DORR (Dept. of Rev & Reg)
605-773-3311

SD-DOL (Department of Labor)
www.state.sd.us/dol/

SD-DOL-Career Centers
605-773-3101

SD-DOL-New hire reporting
888-827-6078
605-626-2942

SD DOL- Unemployment Insurance
605-626-2452

SD-Secretary of State
www.sdsos.gov

SD-Office of Econ. Dev.
www.sdgreatprofits.com

SD-Workers Compensation
www.state.sd.us/dcr/insurance

SD-Workers Compensation
605-773-3563

My own business
www.myownbusiness.org

Chambers of Commerce

Chambers of Commerce serve as a central location where the local small business community may obtain information, publications and contact information.

SOUTH DAKOTA CoC AND INDUSTRY

108 N. Euclid Ave./P.O. Box 190
Pierre, SD 57501
605-224-6161
www.sdchamber.biz/

ABERDEEN AREA CoC

516 S. Main/P.O. Box 1179
Aberdeen, SD 57402
605-225-2860
www.aberdeen-chamber.com/

ALCESTER CoC

106 West 2nd
Alcester, SD 57001
605-934-2851
www.alcestersd.org

AVON CoC

P.O. Box 88
Avon, SD 57315
605-286-3919
www.avonsd.com

BELLE FOURCHE CoC

415 5th Ave.
Belle Fourche, SD 57717-1435
605-892-2676
www.bellefourchechamber.com

BERESFORD CoC

P.O. Box 167
Beresford, SD 57004
605-763-2021
www.bmtc.net/~chamber/

BOX ELDER CoC

433 Tower Rd.
Box Elder, SD 57719
605-923-4132

BRANDON VALLEY AREA CoC

109 N. Pipestone Ave./P.O. Box 182
Brandon, SD 57005
605-582-7400
www.brandonsd.com

BRITTON AREA CoC

P.O. Box 96
Britton, SD 57430
605-448-5323
www.brittonsouthdakota.com

BROOKINGS AREA CoC

414 Main St./P.O. Box 431
Brookings, SD 57006-0431
605-692-6125
www.brookingschamber.org

CANTON CoC

P.O. Box 34
Canton, SD 57013
605-987-5728
www.cantonsouthdakota.com

CENTERVILLE AREA CoC

P.O. Box 266
Centerville, SD 57014
605-563-2345

CHAMBERLAIN-OACOMA AREA CoC

115 W. Lawler
Chamberlain, SD 57325
605-734-4416
www.chamberlainsd.org

CHEYENNE RIVER CoC

101 S. Main St./P.O. Box 58
Eagle Butte, SD 57625
605-964-2722

CLARK CoC

P.O. Box 163
Clark, SD 57225-0163
605-532-3512
www.clarksd.com

CUSTER COUNTY CoC

615 Washington St.
Custer, SD 57730
605-673-2244
www.custersd.com

DE SMET AREA CoC

P.O. Box 105
De Smet, SD 57231
866-528-7273

DEADWOOD CoC

767 Main St.
Deadwood, SD 57732
605-578-1876
www.deadwood.com/

DELL RAPIDS CoC

505 W. Fourth St./P.O. Box 81
Dell Rapids, SD 57022
605-428-4167
www.dellrapids.org

EDGEMONT CoC

P.O. Box 797
Edgemont, SD 57735
605-662-5900
www.edgemont-sd.com

EUREKA CoC

P.O. Box 32
Eureka, SD 57437
605-284-2591

FAITH CoC

206 Main/P.O. Box 246
Faith, SD 57626
605-967-2001
www.gwte.net/%7Efaihtcha/

FLANDREAU CIVIC & COMMERCE ASSOC.

P.O. Box 342
Flandreau, SD 57028
605-997-2353
www.cityofflandreau.com/

FORT PIERRE CoC

310 Casey Tibbs St.
Fort Pierre, SD 57532
605-223-2178

FREEMAN CoC

121 E. 3rd St./P.O. Box 43
Freeman, SD 57029
605-925-4444

GARRETSON COMMUNITY CLUB

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Garretson, SD 57030
605-594-3411

GETTYSBURG CoC

110 S. Exene St./P.O. Box 33
Gettysburg, SD 57442
605-765-2528

GREGORY CoC

1516 Logan
Gregory, SD 57533
605-835-8711
www.gregorysd.com/

GROTON AREA CoC

P.O. Box 21
Groton, SD 57445-0021
605-397-2323
www.grotonchamber.com

HARDING COUNTY CoC

P.O. Box 444
Buffalo, SD 57720
605-375-3844

HARTFORD CoC

125 N. Main Ave.
Hartford, SD 57033
605-528-6187
www.hartfordsd.us

HILL CITY AREA CoC

324 Main St./P.O. Box 253
Hill City, SD 57745-0253
605-574-2368
www.hillcitysd.com/

HOT SPRINGS AREA CoC

801 S. 6th St.
Hot Springs, SD 57747
605-745-4140
www.hot Springs-sd.com

HURON AREA CoC

15 4th St. S.W.
Huron, SD 57350-2495
605-352-8775
www.huronsd.com

KEYSTONE CoC

P.O. Box 653
Keystone, SD 57751-0653
800-456-3345
http://keystonechamber.com/

KIMBALL CoC

P.O. Box 2
Kimball, SD 57355
605-778-6725

LAKE PRESTON AREA CoC

103 Third St. N.E.
Lake Preston, SD 57249
605-847-4140 (City Finance Office)

LEAD AREA CoC

640 W. Main St., #A
Lead, SD 57754
605-584-1100
www.leadmethere.org

LEMMON AREA CoC

500 A Main Ave.
Lemmon, SD 57638
605-374-5716
www.lemmons.com/

OTHER ASSISTANCE

LENNOX CoC

P.O. Box 181
Lennox, SD 57039
605-647-2786
www.cityoflennoxsd.com/

MADISON CoC

315 S. Egan Ave./P.O. Box 467
Madison, SD 57042-0467
605-256-2454
www.madison.sd.us/chamber

MILBANK AREA CoC

401 S. Main
Milbank, SD 57252
605-432-6656
www.milbanksd.com

MILLER CoC

P.O. Box 152
Miller, SD 57362
605-853-3098

MISSION CoC

P.O. Box 337
Mission, SD 57555
605-856-4499

MITCHELL AREA CoC

601 N. Main St./P.O. Box 1026
Mitchell, SD 57301
605-996-5567
www.cornpalace.org

MOBRIDGE AREA CoC

212 Main St.
Mobridge, SD 57601
605-845-2387
www.mobridge.org

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P.O. Box 242
Murdo, SD 57559-0242
605-669-3333
www.murdosd.com/

ONIDA CoC

P.O. Box 95
Onida, SD 57564
605-258-2641

PHILIP CoC

100 E. Pine St./P.O. Box 378
Philip, SD 57567-0378
605-859-2645

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800 W. Dakota/P.O. Box 548
Pierre, SD 57501
605-224-7361
www.pierre.org

PINE RIDGE AREA CoC

P.O. Box 375
Kyle, SD 57752
605-455-2685

PLATTE AREA CoC

310 S. Main St./P.O. Box 393
Platte, SD 57369
605-337-2275

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P.O. Box 415
Presho, SD 57568
605-895-9445

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444 N. Mt. Rushmore Rd./P.O. Box 747
Rapid City, SD 57709-0747
605-343-1744
www.rapidcitychamber.com

REDFIELD AREA CoC

626 N. Main St.
Redfield, SD 57469
605-472-0965
www.redfield-sd.com

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P.O. Box 409
Scotland, SD 57059
605-583-2330
www.scotlandsd.org

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Sioux Falls, SD 57101-1425
605-336-1620
www.siouxfallschamber.com

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P.O. Box 221
Sisseton, SD 57262-0221
605-698-7261

SPEARFISH AREA CoC

106 W. Kansas/P.O. Box 550
Spearfish, SD 57783-0550
605-642-2626
www.spearfish.sd.us

SPRINGFIELD CoC

P.O. Box 329
Springfield, SD 57062
605-369-2309
www.springfieldsd.com/

STURGIS AREA CoC

2040 Junction Ave./P.O. Box 504
Sturgis, SD 57785-0504
605-347-2556
www.strugis-sd.org/

TABOR AREA CoC

330 W. Yankton St./P.O. Box 21
Tabor, SD 57063-0021
605-463-2476

TYNDALL CoC

P.O. Box 305
Tyndall, SD 57066
605-589-9944
www.tyndallsd.com

VERMILLION AREA CoC

116 Market St.
Vermillion, SD 57069
605-624-5571
www.vermillionchamber.com/

VOLGA CoC

202 Kasan Ave./P.O. Box 217
Volga, SD 57071
605-627-9113

WAGNER CoC

204 S. Main/P.O. Box 40
Wagner, SD 57380
605-384-3646

WALL BADLANDS AREA CoC

501 Main St./P.O. Box 527
Wall, SD 57790-0527
605-279-2665
www.wall-badlands.com/

WATERTOWN CoC

20 S. Maple/P.O. Box 1113
Watertown, SD 57201-6113
605-886-5814
www.watertownsd.com

WEBSTER CoC

513 Main St./P.O. Box 123
Webster, SD 57274-1305
605-345-4668
www.webstersd.com/

WESSINGTON SPRINGS CoC

115 N. Wallace/P.O. Box 132
Wessington Springs, SD 57382-0513
605-539-1929
www.wessingtonsprings.com/

WINNER AREA CoC

P.O. Box 268
Winner, SD 57580-0268
605-842-1533
www.winnersd.org

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A photograph of four business professionals, three women and one man, sitting at a light-colored wooden conference table. They are all smiling and looking towards the camera. From left to right: a Black woman with curly hair wearing a dark blazer, a white woman with blonde hair wearing a bright blue blazer, an Asian man with dark hair wearing a dark suit and a yellow tie, and a white woman with blonde hair wearing a dark grey blazer. The background consists of a reddish-brown wall and a light wood panel.

NESDEC

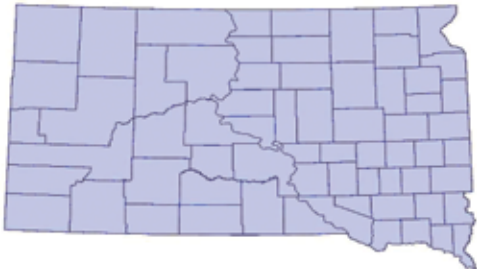
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Minnwest Bank Sioux Falls
U.S. Bank, N.A.
Wells Fargo Bank, N.A.

PARTICIPATING CERTIFIED LENDERS

American State Bank of Pierre
Bank of the West
BankWest, Inc.
First Bank and Trust
First Dakota National Bank
First Fidelity Bank
First Interstate Bank
First National Bank in Ft. Pierre
First National Bank in Philip
First National Bank South Dakota
First PREMIER Bank
Great Western Bank
Home Federal Bank
Minnwest Bank Sioux Falls
Pioneer Bank & Trust
The First National Bank
in Sioux Falls
U.S. Bank National Association
Wells Fargo Bank N.A.

PARTICIPATING SBAEXPORT EXPRESS LENDERS

Minnwest Bank Sioux Falls
Wells Fargo Bank N.A.

PARTICIPATING SBAEXPRESS LENDERS

Aberdeen Federal Credit Union
American State Bank of Pierre
Bank of the West
BankWest, Inc.
Black Hills Community Bank, N.A.
Black Hills Federal Credit Union
Commercial State Bank
of Wagner
CorTrust Bank
National Association
Dacotah Bank
DNB National Bank
First Bank & Trust
First Dakota National Bank
First Fidelity Bank
First Interstate Bank
First Midwest Bank
First National Bank In Ft. Pierre
First National Bank In Philip
First National Bank South Dakota
First PREMIER Bank
First Savings Bank
Frontier Bank
Great Western Bank
Heartland State Bank
Home Federal Bank
MetaBank
Minnwest Bank Sioux Falls
Pioneer Bank & Trust
Plains Commerce Bank
Quoin Financial Bank
Reliabank Dakota
Roberts County National Bank
of Sisseton

Security National Bank
of South Dakota
Sioux Falls Federal Credit Union
South Dakota Board
of Economic Development
The First National Bank
in Sioux Falls
The First National Bank Volga
U.S. Bank National Association
Wells Fargo Bank, NA

PARTICIPATING PATRIOT EXPRESS LENDERS

Aberdeen Federal Credit Union
American State Bank of Pierre
BankWest, Inc.
Black Hills Community Bank, N.A.
Black Hills Federal Credit Union
Commercial State Bank
of Wagner
CorTrust Bank
National Association
Dacotah Bank
DNB National Bank
First Bank & Trust
First Dakota National Bank
First Fidelity Bank
First Interstate Bank
First Midwest Bank
First National Bank, Ft. Pierre
First National Bank in Philip
First National Bank South Dakota
First PREMIER Bank
First Savings Bank
Frontier Bank
Great Western Bank
Home Federal Bank
MetaBank
Minnwest Bank Sioux Falls
Plains Commerce Bank
Pioneer Bank & Trust
Quoin Financial Bank
Reliabank Dakota
Roberts County National Bank
of Sisseton
Security National Bank
of South Dakota
Sioux Falls Federal Credit Union
The First National Bank
in Sioux Falls
The First National Bank of Volga
U.S. Bank National Association
Wells Fargo Bank,
National Association

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Aberdeen 605-225-2488
CORTRUST BANK, N.A.
Aberdeen 605-229-5069
DACOTAH BANK
Aberdeen 605-225-5611
FIRST STATE BANK
Aberdeen 605-225-1400
GREAT PLAINS BANK
Aberdeen 605-725-9400
GREAT WESTERN BANK
Aberdeen 605-229-2634

HOME FEDERAL SAVINGS BANK
Aberdeen 605-225-5277
PLAINS COMMERCE BANK
Aberdeen 605-225-7548
U.S. BANK, N.A.
Aberdeen 605-226-4100
WELLS FARGO BANK, N.A.
Aberdeen 605-225-2220
STATE BANK OF ALCESTER
Alcester 605-934-2500
SECURITY STATE BANK
Alexandria 605-239-4306
AMERICAN BANK & TRUST
Alpena 605-849-3249
CITIZENS STATE BANK
Arlington 605-983-5594
CORTRUST BANK, N.A.
Arlington 605-983-5631
FIRST STATE BANK
Armour 605-724-2155
CORTRUST BANK, N.A.
Artesian 605-527-2217
COMMUNITY BANK
Avon 605-286-3213
THE FIRST NATIONAL BANK
In Sioux Falls
Baltic 605-782-5940
FIRST INTERSTATE BANK
Belle Fourche 605-892-2041
PIONEER BANK & TRUST
Belle Fourche 605-892-2536
WELLS FARGO BANK, N.A.
Belle Fourche 605-892-2652
BANK 360
Beresford 605-763-2135
FIRST SAVINGS BANK
Beresford 605-763-2009
WELLS FARGO BANK, N.A.
Beresford 605-763-2110
FIRST STATE BANK
Big Stone City 605-862-7676
DACOTAH BANK
Bison 605-244-5261
WELLS FARGO BANK, N.A.
Black Hawk 605-787-9224
DAKOTA STATE BANK
Blunt 605-962-6231
FIRST FIDELITY BANK
Bonesteel 605-654-2633
CORTRUST BANK, N.A.
Bowdle 605-285-6323
FIRST STATE BANK OF ROSCOE
Bowdle 605-285-6400
WELLS FARGO BANK, N.A.
Box Elder 605-394-3940
DACOTAH BANK
Bradley 605-784-3602
HOME FEDERAL BANK
Brandon 605-582-2311
THE FIRST NATIONAL BANK
IN SIOUX FALLS
Brandon 605-782-5960
FARMERS STATE BANK
Bridgewater 605-729-2582
FIRST SAVINGS BANK
Bristol 605-492-3621
BERESFORD BANCORPORATION, INC.
Britton 605-448-2643
FIRST SAVINGS BANK
Britton 605-448-2271

WELLS FARGO BANK, N.A.
Britton 605-448-2294
BANKSTAR FINANCIAL
Brookings 605-692-3636
DACOTAH BANK
Brookings 605-692-8600
FIRST BANK AND TRUST
Brookings 605-692-2200
HOME FEDERAL BANK
Brookings 605-692-7100
METABANK
Brookings 605-692-2314
THE FIRST NATIONAL BANK OF VOLGA
Brookings 605-692-9292
WELLS FARGO BANK, N.A.
Brookings 605-692-6245
RICHLAND STATE BANK
Bruce 605-627-5671
BRYANT STATE BANK
Bryant 605-628-2171
PIONEER BANK & TRUST
Buffalo 605-375-3221
FIRST FIDELITY BANK
Burke 605-775-2641
THE SECURITY STATE BANK
Canistota 605-296-3481
MINER COUNTY BANK
Canova 605-523-2221
FARMERS STATE BANK OF CANTON
Canton 605-987-2671
FIRST BANK & TRUST, N.A.
Canton 605-987-7797
HOME FEDERAL BANK
Canton 605-987-2668
SECURITY SAVINGS BANK
Canton 605-987-4363
FARMERS & MERCHANTS STATE BANK
Carthage 605-772-4477
CITIZENS STATE BANK
Castlewood 605-793-9500
FIRST PREMIER BANK
Castlewood 605-793-2555
FIRST MIDWEST BANK
Centerville 605-563-2207
FIRST DAKOTA NATIONAL BANK
Chamberlain 605-734-5555
GREAT WESTERN BANK
Chamberlain 605-734-6531
WELLS FARGO BANK, N.A.
Chamberlain 605-734-6002
DAKOTA HERITAGE STATE BANK
Chancellor 605-647-2228
FIRST STATE BANK
Claremont 605-294-5211
BANK OF THE WEST
Clark 605-532-3633
DACOTAH BANK
Clark 605-532-3626
DNB NATIONAL BANK
Clear Lake 605-874-2191
WELLS FARGO BANK, N.A.
Clear Lake 605-874-2248
HOME FEDERAL BANK
Colman 605-534-3553
FIRST FIDELITY BANK
Colome 605-842-0525
U.S. BANK, N.A.
Colton 605-446-3118

FIRST STATE BANK
Columbia 605-396-2341
PLAINS COMMERCE BANK
Conde 605-382-5251
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Corsica 605-946-5441
DACOTAH BANK
Cresbard 605-324-3601
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Crooks 605-543-5660
DACOTAH BANK
Custer 605-673-5800
FIRST INTERSTATE BANK
Custer 605-673-2215
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Dakota Dunes 605-232-9310
HOME FEDERAL BANK
Dakota Dunes 605-232-4420
LIBERTY NATIONAL BANK
Dakota Dunes 605-217-4425
SECURITY NATIONAL BANK OF SD
Dakota Dunes 605-232-6060
FIRST INTERSTATE BANK
Deadwood 605-578-1792
WELLS FARGO BANK, N.A.
Deadwood 605-578-3401
HOME FEDERAL BANK
Dell Rapids 605-428-3076
THE FIRST NATIONAL BANK IN SIOUX FALLS
Dell Rapids 605-782-5980
WELLS FARGO BANK, N.A.
Dell Rapids 605-428-5654
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Delmont 605-779-2551
AMERICAN BANK & TRUST
Delmont 605-854-3321
PEOPLES STATE BANK
De Smet 605-854-3321
WELLS FARGO BANK, N.A.
De Smet 605-854-9188
DAKOTA PRAIRIE BANK
Draper 605-669-2401
1ST FINANCIAL BANK USA
Dupree 605-365-5191
STATE BANK OF EAGLE BUTTE
Eagle Butte 605-964-3411
WESTERN DAKOTA BANK
Eagle Butte 605-964-6300
GREAT PLAINS BANK
Eden 605-486-4831
FIRST INTERSTATE BANK
Edgemont 605-662-2265
BANK 360
Elk Point 605-356-0289
LIBERTY NATIONAL BANK
Elk Point 605-356-2611
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Elkton 605-542-2681
THE SECURITY STATE BANK
Emery 605-449-4261
RELIABANK DAKOTA
Estelline 605-873-2261
GREAT PLAINS BANK
Eureka 605-284-2633
FARMERS STATE BANK
Faith 605-967-2191
DACOTAH BANK
Faulkton 605-598-6211

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FIRST SAVINGS BANK

Flandreau 605-997-3741

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Fort Pierre 605-223-2337

FIRST NATIONAL BANK

Fort Pierre 605-223-3460

FIRST NATIONAL BANK

Frederick 605-329-2455

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HOME FEDERAL BANK

Freeman 605-925-4239

MERCHANTS STATE BANK

Freeman 605-925-4222

FULTON STATE BANK

Fulton 605-996-5731

GREAT WESTERN BANK

Garden City 605-532-3646

FIRST BANK AND TRUST

Garretson 605-594-3423

DNB NATIONAL BANK

Gary 605-272-5233

CORTRUST BANK, N.A.

Gayville 605-267-4487

FIRST STATE BANK

Geddes 605-337-3333

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Gettysburg 605-765-2441

GREAT WESTERN BANK

Gettysburg 605-765-2491

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Gregory 605-835-9692

FIRST FIDELITY BANK

Gregory 605-835-9627

FIRST STATE BANK

Groton 605-397-2711

WELLS FARGO BANK, N.A.

Groton 605-397-2301

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HOME FEDERAL BANK

Harrisburg 605-743-5826

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Hartford 605-528-4000

U.S. BANK, N.A.

Hartford 605-528-3233

RELIABANK DAKOTA

Hayti 605-783-3616

RELIABANK DAKOTA

Hazel 605-628-2961

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Hecla 605-994-2311

DACOTAH BANK

Henry 605-532-3672

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Herreid 605-437-2294

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Highmore 605-852-2177

QUOIN FINANCIAL BANK

Highmore 605-852-2251

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FARMERS STATE BANK

Hosmer 605-283-2201

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Hot Springs 605-745-4212

BANK OF THE WEST

Hot Springs 605-745-3115

FIRST INTERSTATE BANK

Hot Springs 605-745-6060

WELLS FARGO BANK, N.A.

Hot Springs 605-745-4121

PLAINS COMMERCE BANK

Hoven 605-948-2216

MINER COUNTY BANK

Howard 605-772-4561

PREMIER BANK

Hudson 605-984-2241

RELIABANK DAKOTA

Humboldt 605-363-3808

MERCHANTS STATE BANK

Hurley 605-238-5255

AMERICAN BANK & TRUST

Huron 605-352-9122

BANK OF THE WEST

Huron 605-352-8675

DAKOTALAND FEDERAL CREDIT UNION

Huron 605-352-2845

FIRST NATIONAL BANK

Huron 605-353-6898

FIRST NATIONAL BANK SD

Huron 605-352-8601

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Huron 605-352-8631

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Ipswich 605-426-6031

FARMERS STATE BANK

Iroquois 605-546-2544

WELLS FARGO BANK, N.A.

Irene 605-263-3355

FARMERS & MERCHANTS STATE BANK

Iroquois 605-546-2544

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Isabel 605-466-2139

LIBERTY NATIONAL BANK

Jefferson 605-966-5551

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Kadoka 605-837-2281

FARMERS STATE BANK

Kaylor 605-583-4471

BANKWEST INC.

Kennebec 605-869-2211

FIRST DAKOTA NATIONAL BANK

Kimball 605-778-6218

FIRST PREMIER BANK

Kranzburg 605-886-8147

ANDES STATE BANK

Lake Andes 605-487-7611

FIRST PREMIER BANK

Lake Norden 605-785-3666

FIRST NATIONAL BANK

Lake Preston 605-847-4411

FIRST STATE BANK

Langford 605-493-6474

FIRST INTERSTATE BANK

Lead 605-717-9340

FIRST NATIONAL BANK

Lead 605-584-2622

WELLS FARGO BANK, N.A.

Lead 605-584-3744

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Lemmon 605-374-3831

DACOTAH BANK

Lemmon 605-374-3853

DAKOTA PLAINS CREDIT UNION

Lemmon 605-374-3380

HOME FEDERAL BANK

Lennox 605-647-2818

VALLEY EXCHANGE BANK

Lennox 605-647-2261

CORTRUST BANK, N.A.

Leola 605-439-3222

CORTRUST BANK, N.A.

Letcher 605-248-2233

WELLS FARGO BANK, N.A.

Lower Brule 605-473-9280

FIRST BANK & TRUST, N.A.

Madison 605-256-9191

GREAT WESTERN BANK

Madison 605-256-6532

WELLS FARGO BANK, N.A.

Madison 605-256-8101

MANSFIELD STATE BANK

Mansfield 605-887-3454

FARMERS STATE BANK

Marion 605-648-3683

SECURITY FIRST BANK

Martin 605-685-6776

GREAT WESTERN BANK

McIntosh 605-273-4501

FIRST NATIONAL BANK

McLaughlin 605-823-4433

AMERICAN BANK & TRUST

Mellette 605-887-3471

MENNO STATE BANK

Menno 605-387-5111

BANKWEST INC.

Midland 605-843-2566

FIRST NATIONAL BANK

Midland 605-843-2518

FIRST BANK & TRUST

Milbank 605-432-5111

GREAT WESTERN BANK

Milbank 605-432-1500

WELLS FARGO BANK, N.A.

Milbank 605-432-4521

AMERICAN BANK & TRUST

Miller 605-853-3051

QUOIN FINANCIAL BANK

Miller 605-853-2473

WELLS FARGO BANK, N.A.

Mission 605-856-4414

BANKWEST INC.

Mitchell 605-995-5059

CORTRUST BANK, N.A.

Mitchell 605-996-7775

FIRST DAKOTA NATIONAL BANK

Mitchell 605-996-3364

FIRST NATIONAL BANK SD

Mitchell 605-996-7755

FULTON STATE BANK

Mitchell 605-996-1000

HOME FEDERAL BANK

Mitchell 605-996-8100

U.S. BANK, N.A.

Mitchell 605-996-5814

WELLS FARGO BANK, N.A.

Mitchell 605-995-3500

DACOTAH BANK

Mobridge 605-845-3673

GREAT WESTERN BANK

Mobridge 605-845-7233

WELLS FARGO BANK, N.A.

Mobridge 605-845-3652

SECURITY STATE BANK

Montrose 605-363-5104

GREAT WESTERN BANK

Morristown 605-524-3613

CORTRUST BANK, N.A.

Mount Vernon 605-236-5211

BANKWEST INC.

Murdo 605-669-3031

FIRST FIDELITY BANK

Murdo 605-669-2492

FIRST NATIONAL BANK

Murdo 605-669-2414

DACOTAH BANK

New Effington 605-637-5251

FIRST INTERSTATE BANK

New Underwood 605-754-6421

FIRST NATIONAL BANK

Newell 605-456-2693

LIBERTY NATIONAL BANK

North Sioux City 605-232-4341

FIRST DAKOTA NATIONAL BANK

Oacoma 605-234-5005

AMERICAN STATE BANK

Oldham 605-482-8293

BANKWEST INC.

Onida 605-258-2656

SUNRISE BANK DAKOTA

Onida 605-258-2641

FARMERS STATE BANK

Parker 605-297-3683

FIRST SAVINGS BANK

Parker 605-297-4475

HOME FEDERAL BANK

Parker 605-297-4479

FARMERS STATE BANK

Parkston 605-928-7991

FIRST DAKOTA NATIONAL BANK

Parkston 605-928-3077

FIRST NATIONAL BANK IN PHILIP

Philip 605-859-2525

SBA TOP LENDERS

BANK OF THE WEST

Platte 605-337-3331

FIRST FIDELITY BANK

Platte 605-337-3352

CAMPBELL COUNTY BANK, INC.

Pollock 605-889-2311

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FIRST NATIONAL BANK

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FIRST WESTERN FEDERAL SAVINGS BANK

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GREAT WESTERN BANK

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Rapid City 605-399-1510

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Rapid City 605-399-2740

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Rapid City 605-394-2022

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